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SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD
ANNUAL REPORT 1968



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Board of Directors

J. P. TARDIF, M.S.C.
P. COTÉ, A.D.B.A.
F. SPÉNARD
A. VERGE, C.R.

President
1st Vice President
2nd Vice President
Secretary

Directors

Hon. J. FLYNN, Q.C.
L. TARDIF
L. P. GINGRAS
H. BÉLQUE, Eng.
J. P. GUIMONT, M.S.C., C.G.A.
M. SAMSON, C.A.
P. CHAPDELAINE, C.A.
J. TASCHEREAU, N.P.

Bankers

PROVINCIAL BANK OF CANADA
CANADIAN IMPERIAL BANK OF COMMERCE

Custodian for securities

SAVINGS AND INVESTMENT TRUST CO.

Auditors

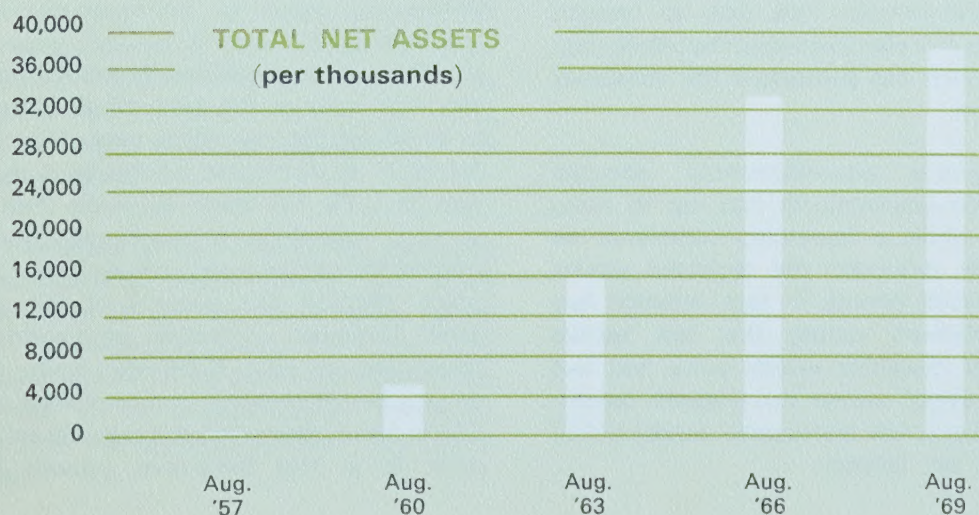
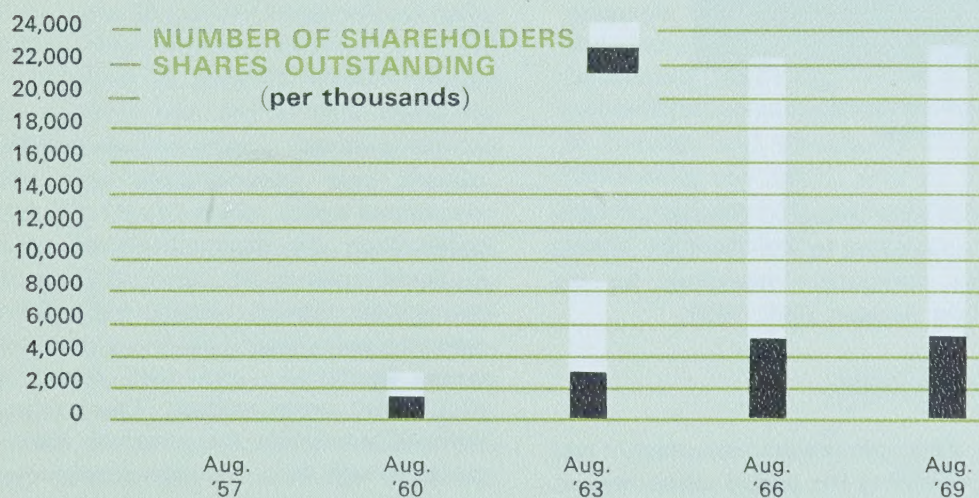
MCDONALD, CURRIE & CO. C.A.

HIGHLIGHTS (YEAR ENDED AUGUST 31, 1969)

	1969
Total net assets at market value.....	\$37,890,781
Number of shares outstanding.....	5,147,277
Shareholders.....	23,218
Net assets per share.....	\$7.36
Retained earnings (since 1957).....	\$7,149,354
Dividend per share.....	\$0.24

PERFORMANCE RECORD as at August 31st 1969

	TOTAL NET ASSETS	NET ASSETS PER SHARE	DIVIDENDS PER SHARE	OFFER TO THE HIGH	PUBLIC LOW
1969	37,890,781.	7.36	0.24	9.24	7.64
1966	35,118,204.	6.52	0.24	8.20	7.05
1963	16,675,486.	6.14	0.20	6.47	5.86
1960	4,554,273.	4.97	0.18	5.82	5.21
1957	332,100	4.86	0.04	5.67	4.49



PRESIDENT'S REPORT TO THE SHAREHOLDERS



*J.-Paul Tardif, M.S.C.
President*

On behalf of your Board of Directors, I have the honour of submitting to you the 13th Annual Report of your Company's operations for the fiscal year ended August 31st, 1969.

A YEAR OF TURMOIL

The North American market environment has been dominated, during the period under review, by the confrontation, on the one hand, of economies subjected to strong inflationary pressures and, on the other hand, by the government authorities' determination not only to restrain these pressures, but also to combat the inflationary psychology which has permeated the consumer and the investor.

The vigorous anti-inflationary struggle pursued by the governments has, up to now, been on the whole a frustrating experience as it has not yet produced the expected results within the desired period. In fact, inflation has actually accelerated during the last twelve months. Fiscal measures which were first put into action having shown no tangible results, a very restrictive credit and money supply policy was instigated last January.

For quite some time, the investor had entertained doubts as to the effectiveness of the anti-inflationary measures. His skepticism had maintained an inflationary psychosis which considered the phenomenon of inflation as a permanent reality against which it was necessary to protect oneself by the purchase of common stocks at often inflated prices. Up to the middle of May last, this psychosis led the stock markets to record levels and, unfortunately, to speculative excesses.

The authorities' determination finally overcame the investors' skepticism. As the markets' strength had not been based on sound fundamental factors, a severe reaction had become inevitable. From May 15th to August 31st, the Dow-Jones and Toronto Industrial averages experienced respective declines of 14.5% and 11.8%.

OUR EVOLUTION

In such an uncertain and unstable market climate, your administrators have adopted an investment policy which sought the conservation rather than the appreciation of your capital. A liquid reserve of some 12% to 13% was maintained almost continuously. Stocks considered more vulnerable to an economic slowdown were liquidated, and net capital gains of \$2,516,900. were realized. The stocks we have retained are those we consider most likely to perform well in a temporary business decline, or securities enjoying special advantages likely to give them the possibility of an appreciation even in a generally unfavourable market environment.

The net asset value of your shares ended our fiscal year at the level of \$7.36, compared to \$7.40 for the preceding year. After including the \$0.24 of distributed dividends, a modest net gain of 2.7% has been achieved. This stability of your capital in a reactionary market has justified the cautious and conservative investment policy adopted. On page 4 of this report, a graph illustrates a typical progression of an investment in your Company during the last decade, and demonstrates that periods of market decline have interrupted this growth only temporarily. It is this long-term growth that the

investor in mutual funds should examine to evaluate his investment. Consequently, he should not be influenced by reactionary phases that are always of short duration.

OUTLOOK

If economic activity as a whole, as measured either by the index of industrial production or by the Gross National Product, is still not giving tangible signs of a real slowdown, nevertheless, many indicators which normally anticipate the evolution of this activity are timidly beginning to forecast an economic readjustment for the end of 1969 or the beginning of 1970.

Any business slowdown is not a cheering prospect in itself but, under the circumstances, it should be accepted as the lesser of two evils. We should not forget that this evolution is desired by our authorities in order to restore inflation to a more tolerable rate, and to thus enable the economy to resume a more evenly balanced expansion.

Far from making us pessimistic on the stock market outlook, such an evolution on the contrary is reassuring. The battle against inflation will probably be long and more painful than anticipated. Without pretending to know the bottom of the current market decline, we are nevertheless of the opinion that it has discounted most of the depressing effects of the coming economic readjustment and of the inevitable but temporary contraction of profit margins.

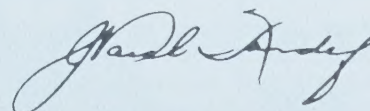
Your administrators are closely studying the various market sectors in order to identify those most likely to achieve a rapid recovery in the next market upward surge. Our present liquid reserves will enable us to act aggressively at the propitious moment.

The instability of the International Monetary System continues to create concern. But we are most impressed by its surprising ability, up to now, to face repeated crises. The calm with which the devaluation of the French franc was received and, the minor repercussions it created, is a tribute to the cooperative effort this system represents.

In summary, we are convinced that, both on the international as well as the domestic scene, the main problems are being solved thanks to the energetic decisions taken by the government authorities. The remedies are and will remain bitter to absorb but they should produce the desired effects. As soon as the recovery becomes apparent, this will rapidly be reflected by the security markets. We therefore invite our shareholders to take advantage of the opportunity which now presents itself to acquire new shares in your Company at a very attractive level for a substantial appreciation in a future much nearer than most people expect.

APPRECIATION

In conclusion, I would like to express, on behalf of your Board of Directors, our sincere gratitude for your continued support. We will endeavour to do our best to conserve this confidence. May I also extend our sincere appreciation to our employees and to the representatives of Savings and Investment Ltd., the company distributing our shares, who by their work, their loyalty and their skill have contributed so much to our achievements.



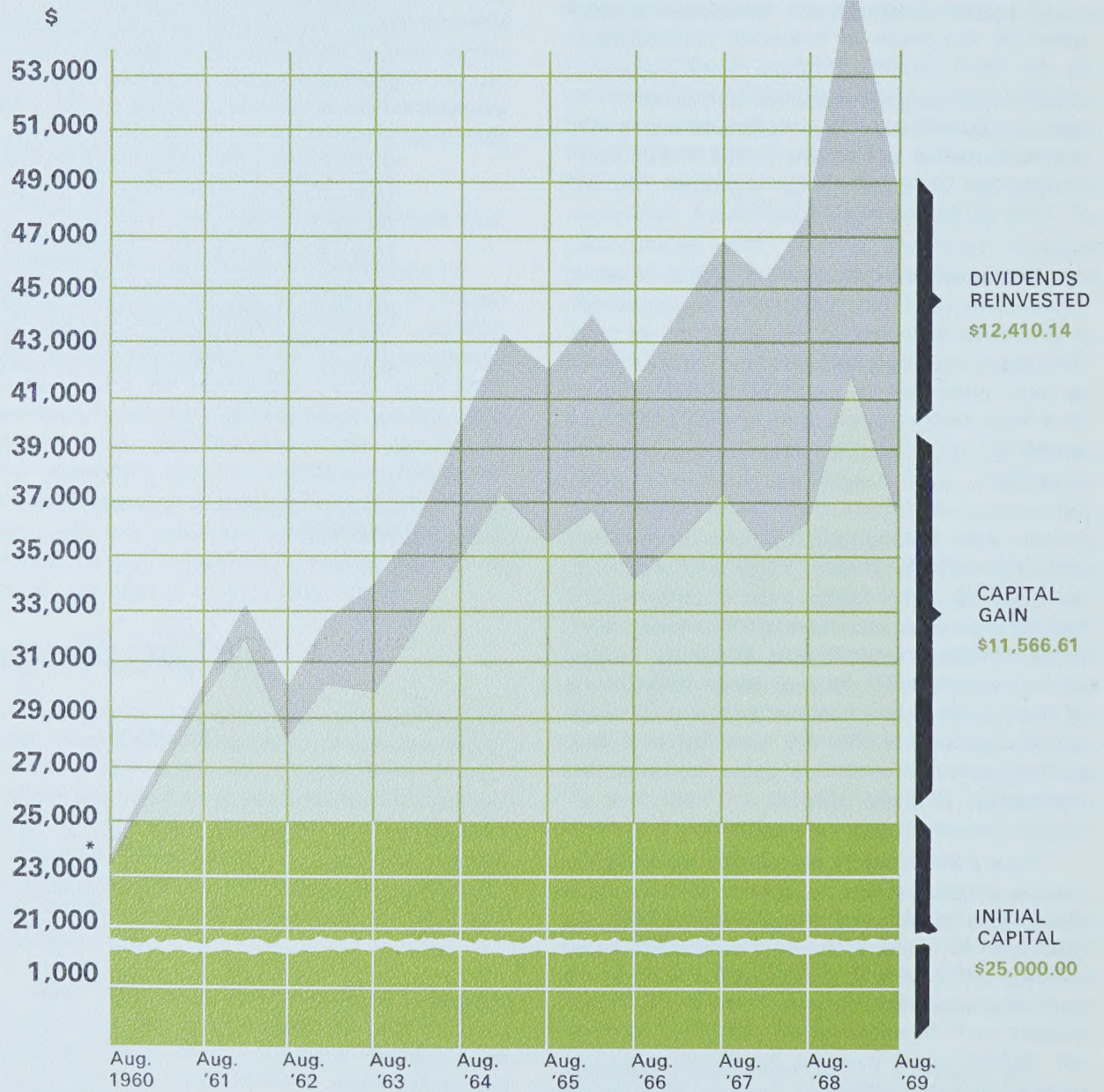
President.

10 YEARS PERFORMANCE
OF A \$25,000 INVESTMENT

SAVINGS AND INVESTMENT
CORPORATION MUTUAL FUND OF CANADA LTD.

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)

TOTAL VALUE: August 31 1969
\$48,976.75



* \$23,500 initially invested after deducting 6% acquisition fees.

The steady progression shown by this graph emphasizes the necessity to consider a mutual fund investment as a long term hold. Market reactions simply offer excellent opportunities to invest at more attractive prices.

ADVANTAGES OF SYSTEMATIC INVESTMENT

Hundreds and thousands of people and institutions buy shares of various Mutual Funds each year, either monthly, quarterly or annually.

Many others would do so if they were aware of the advantages of investing regularly and in a methodical way over a long period of time.

Average Cost

The main advantage derived from this system of methodical purchase is the building up of a portfolio at a reasonable price. This method is, in fact, able to give a more satisfactory return than that of investing now and then or only whenever prospects seem most favourable. In other words, the right time for buying is no longer a problem since purchases are necessarily made at different prices, high, low and average. Moreover, if this programme extends over a reasonable period of time, the investor, due to the variations of the market, will avoid the problem of buying his shares at high prices only.

The time to purchase is no longer a problem

The second advantage of systematic investment is the elimination of the question "When should I begin to invest?" as shares will be purchased at all kinds of prices. Whether the high prices are to be found at the beginning, at the middle, or at the end of the term of purchase, this will have no effect on the total cost of all the securities purchased. For once a programme of purchase is completed, the value of the shares will be the same no matter if they are purchased during a rising, a falling or even an irregular market.

Dollar Cost Averaging

The third advantage is the mathematical result of what is known technically as "Dollar Cost Averaging".

To benefit from this advantage, approximately equal amounts of money must be invested each time rather than buy an equal amount of shares each time an investment is made.

By following this rule, the regular investor is sure to purchase not only at different prices, but also to obtain more shares at lower market prices than at higher market prices.

If a person purchased the same number of shares each time he invested, for example ten or a hundred shares, his average cost could be the same as the average of the price of the shares. He would have the benefit of purchasing at different market levels, but he would lose the additional advantage provided by Dollar Cost Averaging which could rise up to 10% over a number of years.

One must therefore consider systematic investment as an effective method of purchase

at reasonable prices. It does not, however, provide a guarantee against loss, nor a certainty that a profit will be realized at the end of ten years, nor of any period of accumulation. For, at all times, the market value of the accumulated shares will depend on the price quoted at that particular moment.

Period of Decline — an Advantage

Normally a period of ten years is long enough to establish a good spread in prices. In other words, the person who perseveres and makes regular purchases during a 10-year period should consequently be in a position to hold an investment account which, sooner or later, will provide capital appreciation and an increase of income, whether this result is obtained during or after this 10 year period.

The systematic investor should welcome periods of decline during the accumulation phase of his programme. These periods will enable him to reduce the average cost of his shares, since the more the shares drop, the more chances he will have of acquiring shares, thanks to his regular purchases.

Obviously, it will be even of greater importance for him to buy during these periods of decline than when prices are increasing or are high.

This is why any person who plans to begin this method of systematic investment should decide to persist in continuing his programme even during periods of decline.

Reinvestment of Dividends

The fourth advantage of systematic investment is the reinvestment of dividends, making the purchase of additional shares without cost. During the early years the effect of reinvestment of dividends is minor, as they are too small in comparison with the new capital invested to be an element of importance. But this importance will grow increasingly as the programme continues to become often the principal element of importance of periodic investments.

And then, even if the person discontinues his periodical payments, the reinvestment of dividends only can continue to work in his favour by increasing the amount of his investments and in addition giving him the important advantage of Dollar Cost Averaging.

Consequently, it is not surprising that hundreds and thousands of investors choose Mutual Funds to set up their systematic investment plan, since a Mutual Fund Company can not only give them all the advantages inherent to this method of investment, but also guarantees them wide diversification in the best securities of the country and constant daily supervision for the protection of these investments.

assets



INVESTMENTS — at market value	1969	1968
	\$	\$
Bonds and secured notes	526,500	1,721,500
United States companies bonds	106,078	818,450
Preferred stocks	307,500	2,144,200
Common stocks —		
Canadian companies	25,550,405	24,141,150
United States companies	7,775,200	9,706,550
	34,265,683	38,531,850

The average cost of the investments as at August 31,
1969 was \$35,677,660 (1968 — \$37,824,005)

CURRENT ASSETS

Cash in bank and with a trust company	315,086	683,680
Bank deposits — on demand	3,200,000	1,700,000
Due by brokers	226,896	410,329
Accrued interest and dividends receivable	169,278	152,373
	3,911,260	2,946,382
	38,176,943	41,478,232

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Savings and Investment Corporation Mutual Fund of Canada Ltd (Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée) as at August 31, 1969 and the statements of income and expenditure, retained earnings, premium on shares, unrealized appreciation (depreciation) of investments and changes in net assets for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at August 31, 1969 and the results of its operations and the changes in net assets for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

McDONALD, CURRIE & CO.
Chartered Accountants

QUEBEC, September 18, 1969

**SAVINGS AND INVESTMENT
CORPORATION MUTUAL FUND OF CANADA LTD.**

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)

liabilities

CURRENT LIABILITIES	1969	1968
	\$	\$
Accounts payable and accrued liabilities	29,520	34,111
Due to brokers	245,249	76,369
Incomes taxes	11,393	19,034
	286,162	129,514

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Common shares —			
Authorized, issued and fully paid:			
1,000 shares of a par value of \$1 each		1,000	1,000
Mutual fund shares of a par value of \$1 each (Redeemable on demand by the holders at asset value) —			
	Shares-1969	Shares-1968	
Authorized	20,000,000	20,000,000	
Redeemed	2,857,924	1,774,199	
	17,142,076	18,225,801	
Outstanding:			
Issued and fully paid	5,146,277	5,584,164	
(The shares issued during the year were paid in cash)	5,146,277	5,584,164	
PREMIUM RECEIVED ON SHARES ISSUED, LESS PREMIUM PAID ON SHARES REDEEMED . .	27,006,127	30,065,004	
RETAINED EARNINGS	7,149,354	4,990,705	
UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS	(1,411,977)	707,845	
	37,890,781	41,348,718	
	38,176,943	41,478,232	
Net asset value per share	\$7.36	\$7.40	

NOTE:

The company has obtained supplementary letters patent dated July 30, 1969 which give the Board of Directors, the power to fix the time of calculation of the asset value used as a basis in the determination of the selling price of the mutual fund shares issued by the company.

SIGNED ON BEHALF OF THE BOARD

Director, J.-P. TARDIF

Director, J.-P. GUIMONT

STATEMENT OF INCOME AND EXPENDITURE
for the year ended august 31, 1969

INCOME	1969	1968
	\$	\$
Dividends	1,046,108	1,117,990
Interest	229,786	270,040
	1,275,894	1,388,030

EXPENDITURE

Management fees	308,599	229,431
Custodian fees	10,774	11,721
Directors' fees	4,467	4,750
Legal fees	1,298	1,711
Audit fees	4,350	4,280
Stationery and printing	14,015	16,043
Corporation taxes	1,550	1,550
Insurance	—	5,542
Bank charges	715	1,981
Miscellaneous	399	11,960
	346,167	288,969

INCOME FROM INVESTMENTS BEFORE PROVISION FOR INCOME TAXES	929,727	1,099,061
PROVISION FOR INCOME TAXES	35,248	38,968

NET INCOME FROM INVESTMENTS FOR THE YEAR

(excluding profit realized on sale of investments) . . .	894,479	1,060,093
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STATEMENT OF RETAINED EARNINGS
for the year ended August 31, 1969

	1969	1968
	\$	\$
BALANCE AVAILABLE FOR DISTRIBUTION — BEGINNING OF THE YEAR	4,990,705	3,472,078
Plus:		
Portion of premium received on sale of mutual fund shares, transferred to retained earnings, to equalize the amount per share available for dividend	15,566	24,002
Less:		
Corresponding portion of premium paid on redemption of mutual fund shares	(27,071)	(29,942)
Profit realized on sale of investments	2,516,900	1,819,149
Net income from investments for the year	894,479	1,060,093
	8,390,579	6,345,380
Less:		
Dividends paid — (24c per share in 1969 and 24c per share in 1968)	1,241,225	1,354,675
BALANCE AVAILABLE FOR DISTRIBUTION — END OF YEAR	7,149,354	4,990,705

STATEMENT OF CHANGES IN NET ASSETS
for the year ended August 31, 1969

	1969	1968
	\$	\$
Plus:		
Proceeds from sale of mutual fund shares less commissions paid	5,123,758	6,336,963
Profit realized on sale of investments	2,516,900	1,819,149
Net income from investments for the year	894,479	1,060,093
	49,883,855	51,713,616
Less:		
Payments on redemption of mutual fund shares	8,632,027	7,376,175
Dividends paid	1,241,225	1,354,675
Decrease in unrealized appreciation of investments	2,119,822	1,634,048

STATEMENT OF PREMIUM ON SHARES
for the year ended August 31, 1969

	1969	1968
	\$	\$
BALANCE — BEGINNING OF YEAR	30,065,004	30,966,013
Plus:		
Proceeds from sale of mutual fund shares of the capital stock, less \$1 per share, credited to capital stock (645,838 shares in 1969 and 891,633 shares in 1968)	4,574,095	5,613,103
	34,639,099	36,579,116
Less:		
Commissions paid on sale of shares	96,175	167,773
Portion of premium received on sale of mutual fund shares, transferred to retained earnings to equalize the amount per share available for dividend	15,566	24,002
Premium paid on redemption of mutual fund shares (1,083,725 shares in 1969 and 1,023,896 shares in 1968)	7,521,231	6,322,337
	7,632,972	6,514,112
BALANCE — END OF YEAR	27,006,127	30,065,004

**STATEMENT OF UNREALIZED APPRECIATION
(DEPRECIATION) OF INVESTMENTS**
for the year ended August 31, 1969

	1969	1968
	\$	\$
BALANCE — BEGINNING OF YEAR	707,845	2,341,893
Decrease for the year	2,119,822	1,634,048
BALANCE — END OF YEAR	(1,411,977)	707,845

**SAVINGS AND INVESTMENT
CORPORATION MUTUAL FUND OF CANADA LTD.**
(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)



INVESTMENTS AS AT AUGUST 31, 1969

COMMON STOCKS	Number of shares	Market value	Percent of total investment at market value
		\$	%
BANKS			
Bank of Montreal	25,000	372,000	1.1
Banque Canadienne Nationale	43,000	473,000	1.4
Canadian Imperial Bank of Commerce	25,000	493,750	1.4
CHEMICAL AND TEXTILES			
DuPont of Canada Limited	10,000	310,000	.9
CONSTRUCTION AND REAL ESTATE			
Asbestos Corporation Limited	18,600	469,650	1.4
Canadian Equity & Development Company Limited	20,000	195,000	.6
Canadian Interurban Properties Limited	10,000	49,000	.1
Cummings Properties Limited	10,000	125,000	.4
O. S. F. Industries Limited	10,000	175,000	.5
Peel-Elder Limited	6,250	181,250	.5
C. A. Pitts Engineering Construction Limited	25,000	556,250	1.6
		1,751,150	5.1
CONSUMERS' GOODS			
* Alterman Foods Inc.	22,000	334,840	1.0
* Brockway Glass Company Inc.	6,000	445,800	1.3
Charter Industries Limited	27,000	216,000	.6
Couvrette & Provost Ltée	35,000	253,750	.7
Distillers Corporation-Seagrams Limited	15,000	757,500	2.2
Hiram Walker-Gooderham & Worts Limited	25,000	1,043,750	3.1
* Loews Theatres Inc.	12,000	411,960	1.2
Molson Industries Limited Class "A"	17,000	331,500	1.0
The Oshawa Wholesale Limited Class "A"	10,000	280,000	.8
Silverwood Dairies Limited Class "A"	15,000	330,000	1.0
George Weston Limited Class "A"	30,000	686,400	2.0
		5,091,500	14.9

COMMON STOCKS	Number of shares	Market value	Percent of total investment at market value
		\$	%
ELECTRONIC			
* Alloys Unlimited Inc.	7,000	234,640	.7
Central Dynamics Ltd.	25,000	103,250	.3
* Datatron Processing	10,000	72,700	.2
* General Electric Company Limited	8,000	721,520	2.1
* International Business Machine Corporation	2,500	928,800	2.7
* Interphoto Corporation Class "A"	10,000	181,800	.5
Keeprite Products Limited	60,075	690,863	2.0
* Leasco Data Processing Equipment Corporation.	5,000	139,350	.4
* Rollins Inc.	15,000	589,650	1.7
* Sperry Rand Corporation	15,000	722,850	2.1
* Zenith Radio Corporation	10,000	430,800	1.3
		4,816,223	14.0
METALS			
Alcan Aluminium Limited	40,700	1,175,416	3.4
Bethlehem Copper Corporation Ltd	15,000	234,450	.7
Brenda Mines Ltd.	20,000	290,000	.8
Denison Mines Limited	10,000	515,000	1.5
Falconbridge Nickel Mines Limited	10,000	1,340,000	3.9
Kerr Addison Mines Limited	20,000	265,000	.8
Noranda Mines Limited	50,000	1,662,500	4.9
Northgate Exploration Limited	50,000	787,500	2.3
Placer Development Limited	10,000	375,000	1.1
Rio Algom Mines Limited	5,200	100,776	.3
Teck Corporation Limited Class "A"	50,000	387,500	1.1
OIL AND GAS			
* Atlantic Richfield	5,000	629,950	1.8
Canadian Industrial Gas & Oil Ltd.	50,000	537,500	1.6
Home Oil Company Limited Class "A"	5,000	377,500	1.1
Home Oil Company Limited Class "B"	3,000	208,500	.6
Jefferson Lake Petrochemicals of Canada Limited	20,000	352,600	1.0
* Kerr McGee Oil Industries	5,000	449,600	1.3
Scurry Rainbow Oil Limited	8,000	220,000	.7
Western Decalta Petroleum Limited	6,800	73,100	.2
		2,848,750	8.3

COMMON STOCKS	Number of shares	Market value	Percent of total investment at market value
		\$	%
PUBLIC UTILITIES			
International Utilities Corporation	10,000	302,500	.9
Northern and Central Gas Company Limited	50,000	900,000	2.6
Quebec Natural Gas Corporation	25,000	440,750	1.3
		1,643,250	4.8
PULP AND PAPER			
Abitibi Paper Company Limited	50,000	469,000	1.4
Domtar Limited	50,000	656,500	1.9
Fraser Companies Limited	15,000	363,750	1.1
MacMillan, Bloedel Limited	25,000	828,250	2.4
The Price Company Limited	50,000	712,500	2.1
		3,030,000	8.9
STEEL AND MANUFACTURING			
Bombardier Limited Class "A"	15,000	270,000	.8
* Diversified Metals Corporation	10,000	171,000	.5
Massey-Ferguson Limited	50,000	925,000	2.7
* McDonnell, Douglas Corporation	10,000	290,800	.8
The Steel Company of Canada Limited	30,000	663,900	1.9
* Studebaker Worthington Inc.	6,000	239,040	.7
		2,559,740	7.4
TRANSPORTATION			
Canadian Pacific Railway Company	28,000	2,023,000	5.9
* National Airlines Inc.	15,000	494,700	1.5
* Western Air Lines, Inc.	10,000	285,400	.8
		2,803,100	8.2
TOTAL COMMON STOCKS		33,325,605	97.2

PREFERRED STOCKS	Number of shares	Market value	Percent of total investment at market value
		\$	%
PREFERRED STOCKS			
Canadian Interurban Properties Limited Series "A" 7% cumulative convertible	30,000	307,500	.9
TOTAL PREFERRED STOCKS		307,500	.9

BONDS AND SECURED NOTE	Par value	Market value	Percent of total investment at market value
		\$	%
BONDS GOVERNMENT			
Government of Canada — 7% May 1, 1970..	500,000	497,500	1.5
CONVERTIBLE			
* Standard International Corp. convertible, subor- dinated 5% January 8, 1987	99,000	106,078	.3
		603,578	1.8
SECURED NOTE			
Alliance Credit Corporation 6½% on demand....	29,000	29,000	.1
TOTAL BONDS AND SECURED NOTE		632,578	1.9
TOTAL INVESTMENTS		34,265,683	100.00

* United States companies common shares and bonds — valued as follows:

Market value — at the rate of exchange prevailing as at August 31, 1969.

PORTFOLIO TRANSACTIONS

September 1st, 1968 — August 31st, 1969

PURCHASES

Canadian Securities:	Net Increase	New Total
Abitibi Paper	50,000	50,000
Bombardier Ltd.	15,000	15,000
Brenda Mines	20,000	20,000
Canadian Equity & Development	20,000	20,000
Canadian Industrial Gas & Oil	50,000	50,000
Canadian Interurban "A"	30,000	30,000
Charter Industries	27,000	27,000
Central Dynamics	25,000	25,000
Cummings Properties	10,000	10,000
Domtar Limited	25,000	50,000
Home Oil "A"	5,000	5,000
Home Oil "B"	3,000	3,000
International Utilities	10,000	10,000
Keeprite Products	10,000	10,000
Kerr Addison Mines Limited	6,100	20,000
Massey Ferguson Limited	25,000	50,000
Molson "A"	17,000	17,000
Noranda Mines Limited	25,000	50,000
Northgate Exploration	50,000	50,000
Oshawa Wholesale "A"	10,000	10,000
O.S.F. Industries	10,000	10,000
Peel Elder	6,250	6,250
C.A. Pitts Eng.	25,000	25,000
Placer Development	10,000	10,000
Price Bros Ltd.	15,000	15,000
Quebec Natural Gas	25,000	25,000
Rio Algom Mines	5,200	5,200
Scurry Rainbow Oil	8,000	8,000
Silverwood Dairies "A"	15,000	15,000
Teck Corporation "A"	50,000	50,000
Western Decalta Petroleum	6,800	6,800

American Securities:

Alterman Foods	22,000	22,000
Atlantic Richfield	5,000	5,000
Brockway Glass	6,000	6,000
Datatron Processing	10,000	10,000
General Electric	8,000	8,000
International Business Machine	900	2,500
Interphoto "A"	10,000	10,000
Leasco Data	5,000	5,000
Loews Theatres	12,000	12,000
McDonnell Douglas Corp.	4,000	10,000
Rollins Inc.	10,000	15,000
Studebaker Worthington	6,000	6,000

SALES

Canadian Securities:	Net Decrease	New Total
Alberta Gas Trunk Line "A"	14,000	—
Alcan Aluminium, Pr. 4¼% CV	9,800	—

Algoma Steel Corp. Ltd.	20,000	—
Alliance Credit Corp. 6½% B.G. on demand	\$70,000	\$29,000
Anglo Canadian P. & P. Pr. 4.5% CV	1,000	—
Asbestos Corporation Limited	11,400	18,600
Banque Canadienne Nationale	7,000	43,000
Canadian Imperial Bank of Commerce	7,700	25,000
Quebec Savings Bank	14,000	—
Canadian Breweries Ltd.	30,000	—
Central Del Rio Oils Limited	22,000	—
Columbia Cellulose Pr. \$1.20 CV	8,000	—
Consumer's Gas Company	50,000	—
Couvrette & Provost Limitée	15,000	35,000
Craigmont Mines Limited	14,400	—
Crush International	15,000	—
Dominion Foundries & Steel Limited	20,500	—
Georges Weston Ltd "A"	5,000	30,000
Great Lakes Paper Co. Ltd.	17,000	—
Home Oil Co. Limited 5½% 1/12/84 CV	\$500,000	—
Imperial Oil Limited	25,000	—
Rio Algom Mines Limited	24,800	5,200
Scurry Rainbow Oil Limited 7¼% 1/5/88 CV	\$300,000	—
Shell Investments Limited 5½% Pr. CV	30,000	—
Texaco Canada Limited	35,000	—
Trans Canada Pipe Lines \$2.75 Pr. CV	10,300	—
Woodward Stores "A"	30,000	—

American Securities:

Alloys Unlimited Inc. 4½% 1/6/93 CV	\$75,000	—
American Broadcasting Co. Inc.	7,000	—
American Express Company	9,000	—
Avco Corporation	7,000	—
Bristol Myers	6,000	—
Ling-Temco Vought Inc. 6¼% 10/1/70 cum nots.	\$250,000	—
LTV Aerospace Corp. 6¾% 15/8/88 cum nots.	\$150,000	—
M.C.A. Inc.	22,000	—
Philip Morris, Inc.	6,000	—
Royal Dutch Petroleum Co.	10,000	—
Standard Int. Corp. 5% 8/1/81	\$185,000	—
Western Airlines Inc.	5,000	10,000
Xerox Corp.	2,500	—

Subsidiary of Savings and Investment Group which administers assets of over \$160,000,000. Savings and Investment Mutual is distributed by Savings and Investment Ltd.

SAVINGS AND INVESTMENT GROUP holding company.

SAVINGS AND INVESTMENT LTD.

offers to the client, with its Savings Plans, the opportunity of accumulating over periods of 10, 15 or 20 years the amount of capital required to meet his financial objectives; also offers to the public reserve accumulation plans, Registered Retirement Savings Plans, Educational Plans and Single Premium Annuity Certificates.

SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD.

its portfolio, closely supervised by specialists, brings to its shareholders a valuable participation in the growth of the Canadian economy. The Fund is a member of the Canadian Mutual Funds Association.

SAVINGS AND INVESTMENT AMERICAN FUND LTD.

complements the range of financial services by offering the opportunity of investment in American and other securities through its dynamic and professionally managed portfolio.

SAVINGS AND INVESTMENT TRUST COMPANY

offers to the public the services of various departments specialized in financial, estate, tax and legal matters as: testamentary executorship, estate planning, investment management, personal and group pension plan administration, guaranteed deposits, investment certificates, mortgage loans, purchase and sale of residential, commercial or industrial properties and real estate administration; also offers the usual corporate trust services. This company operates in the Province of Quebec.

AETERNA LIFE

is in a position to handle all insurance plans issued by insurance companies: whole life, term insurance, endowments, life annuities, etc. The Company has offices in the main cities of the Province of Quebec, where its specialists in matters of insurance are at the disposal of the public at large to discuss the requirements concerning protection for themselves, for their families, or their property.

OFFICES AND REGIONS

HEAD OFFICE :

850 D'YOUVILLE SQUARE, QUEBEC, P.Q.

REGIONS

ADDRESSES

ONTARIO

TORONTO	696 Yonge St. — Toronto 5
SUDBURY	116 Elm St., East, Suite 403 — Sudbury
LONDON	381 Clarence St. — London
PORT ARTHUR	53 Cumberland St., North, — Port Arthur
OTTAWA	77 Metcalfe St., Suite 801-A — Ottawa 4
KITCHENER	60 Ontario St., North, — Kitchener

ATLANTIC PROVINCES

NOVA SCOTIA	Halifax Shopping Centre, suite 210, 7001 Mumford Rd., Halifax, N.S.
NEW BRUNSWICK	20 Charlotte St. — Saint John, N.B.
NEWFOUNDLAND	Churchill Park Chambers, Rowan St., St. John's, Nfld.

QUEBEC

MONTREAL — LAFONTAINE	1290 St-Denis St. Suite 30 — Montreal
MONTREAL — PLACE D'ARMES	225 St-Jacques St., West, — Montreal
ABITIBI	100 Perreault St., Est — Rouyn
SAGUENAY	Murdock Building, 23 Racine St. — Chicoutimi
QUEBEC	850 d'Youville Square — Quebec 4
SHERBROÛKE	31 King St., West, Suite 415 — Sherbrooke
GASPESIA	30 de l'Evêché St., East, — Rimouski, Qué.

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PROSPECTUS

OFFERING MUTUAL FUND SHARES OF:

**SAVINGS AND INVESTMENT CORPORATION
MUTUAL FUND OF CANADA LTD.**

**SAVINGS AND INVESTMENT
AMERICAN FUND LTD.**

NOVEMBER 16, 1969

SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD.

is hereinafter called “the Canadian Fund”

and

SAVINGS AND INVESTMENT AMERICAN FUND LTD.

is hereinafter called “The American Fund”

CHARACTERISTICS

THE CANADIAN FUND offers you the opportunity to participate in an investment portfolio made up of some of the best Canadian Securities — industrial, financial and governmental, and a few of the most progressive companies of the United States in the scientific or technical field.

Through the acquisition of Mutual Fund Shares of THE AMERICAN FUND, a person acquires interest in selected enterprises of the North American Continent, and even eventually of other continents. This will enable the shareholder to participate in investments in companies which, by means of modern technology, are directing their production towards appropriate sectors of the market.

Three ways of investing

There are three ways to invest in Mutual Fund Shares of the companies:

- a) Lump sum investment.
- b) Monthly contractual investment plans.
- c) Retirement investment plans with instalments deductible from income tax purposes.

Questions and Answers

- | | |
|--|---|
| 1. Can an investor invest under the above 3 types of investments? | Yes. |
| 2. Minimum payment required for investment? | \$300.00 in the Canadian Fund
\$1,000.00 in the American Fund |
| 3. Minimum required for subsequent deposits? | \$50.00 |
| 4. Minimum first instalment for a monthly contractual plan? | \$20.00 |
| 5. Net asset value: | |
| Canadian Fund as at August 31st, 1969 | \$7.36 |
| American Fund as at August 31st, 1969 | \$11.40 |
| 6. How are dividends paid? | |
| In the Canadian Fund | Quarterly — February, May, August and November. |
| In the American Fund | Dividends declared are systematically reinvested. |
| 7. Is there any acquisition fee for the reinvestment of dividends? | No. |
| 8. When can I cash some of my shares? | Any time on request. |
| 9. Who is the distributor of the funds? | Savings and Investment Ltd. |
| 10. Where and how can I start investing in the above mentioned three ways? | Through the Head Office of Savings and Investment Ltd, or through your Savings and Investment representative, or by contacting the nearest of the regional offices of Savings and Investment Ltd. in Canada as listed on the inside back cover of the prospectus. |

Prospectus

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1 — Legal Status of The Canadian Fund and of The American Fund

The Canadian Fund was incorporated under the Canada Corporations Act by Letters Patent dated August 7th, 1956. Supplementary Letters Patent dated October 31st, 1966 were issued to the Canadian Fund for the following purposes:

- (a) to cancel Special Shares already redeemed;
- (b) to increase to 20,000,000 the authorized number of Special Shares; and,
- (c) to change the words “Special Shares” to “Mutual Fund Shares”.

The American Fund was incorporated under the Canada Corporations Act by Letters Patent dated November 28 th, 1967.

Supplementary Letters Patent dated July 30th, 1969 were issued to the CANADIAN FUND and to the AMERICAN FUND giving the Board of Directors of both funds the power to fix the time of determination of the asset value for the purpose of establishing the price at which a Mutual Fund share will be sold.

2 — Head Offices and Principal Offices

The Canadian Fund and the American Fund have their respective Head Offices and Principal Offices at 850 Place d'Youville, Quebec, P.Q., Canada.

3 — Policies

It is a policy of both the Canadian Fund and American Fund to issue no securities other than Mutual Fund Shares.

Under their Letters Patent, both the Canadian Fund and the American Fund have power to deal in and deal with securities of every description. However both Canadian and American funds do not hold or intent to hold any letters stocks or restricted securities.

The policies of the Canadian Fund and the American Fund differ in that the Canadian Fund expects to invest mostly in Canadian Securities whereas the American Fund expects to invest mostly in American Securities.

In the interests of their shareholders both the Canadian Fund and the American Fund have enacted by-laws (which can only be changed by by-law) imposing certain restriction which have proved sound in the operation of investment companies. A by-law of the Canadian Fund (and the American Fund has a similar by-law) provides that:

1. The Directors of the company may not at any time:

(a) Invest more than 10% of the value of the company's total assets (taken at market value at time of purchase) in the securities of any issuer, except in the case of securities issued or guaranteed by the Government of Canada, any Province thereof, and the United States Government or in other qualified Mutual Funds subject to 3. below;

(b) Invest in securities of any issuer if such purchase at the time thereof would cause more than 10% of the voting stock of such issuer to be held by the company;

(c) Purchase securities which are the object of an initial sale and distribution, unless said securities may be lawfully sold and distributed in the jurisdiction where the head office of the company is situated or in the jurisdiction where the head office of the issuer of such securities is situated;

(d) Purchase securities on margin or effect short sales;

(e) Underwrite or participate in the marketing of securities of others;

(f) Borrow money except under certain exceptional circumstances, or for redemption of shares. Such loans, in any event, shall never exceed 5% of the company's total assets (taken at the market value at time of borrowing);

(g) Agree to make any loan to or grant any loan to any officer or director of the company or of the American Fund or of Savings and Investment Ltd., or of Savings and Investment Group or of Savings and Investment Trust Company or to any of these companies;

(h) Purchase securities other than through normal public market facilities, except under exceptional circumstances and then the purchase price must approximate the prevailing market price or be negotiated on an arm's length basis;

(i) Invest in any security which may, by its terms, require the company to make an additional contribution;

(j) Purchase or sell commodities or commodity contracts;

(k) Make loans guaranteed or secured by hypothecs (or mortgages);

(l) Purchase real estate.

2. Any officer, director or employee of the company engaged in investment research or participating in any way in any investment decision with respect to the securities of an issuer in which such officer, director or employee has any interest, direct or indirect, shall immediately disclose such interest.

3. It is not the intention of the company to invest in securities issued by another Mutual Fund, but if the company decides to do so, it will only do so if:

(a) The Fund whose securities are being acquired has similar general investment policies as the company;

(b) The Fund whose securities are being acquired has complied with all the requirements if any, of the regulatory bodies having jurisdiction in the Provinces where such Fund is doing business;

(c) The shares of the Fund being acquired are purchased at the asset value of such Fund;

(d) Not more than one management fee is paid, either by the company or by the Fund whose securities are being acquired, with respect to the asset value of the latter's shares during the period such shares are held by the company.

Voting rights of shareholders of the Canadian Fund and of the American Fund being restricted (See section 6), such shareholders have no control over the investment policies of the Canadian Fund or of the American Fund.

4 — Tax Status of The Canadian Fund and The American Fund

1. Interest received by the Canadian Fund and the American Fund from Canadian and American securities is considered taxable income;

2. Dividends from Canadian taxable corporations are tax-exempt in the hands of the Canadian Fund and the American Fund; however, dividends from American corporations constitute taxable income;

3. There is a withholding tax of 15% by the Government of the United States on interest and dividends from American securities received by the Canadian Fund and the American Fund. However, such 15% tax is deductible from Canadian income tax as provided in the Income Tax Act (Canada);

4. Under the laws of the United States and Canada now in force, capital gains of the Canadian Fund and the American Fund are not taxable.

5. The Canadian Fund, for the fiscal year ended August 31st, 1969, qualified as an investment company under Section 69 of the Income Tax Act (Canada). The American Fund is taxable as an ordinary Canadian corporation. . .

This information is based on the Income Tax Law effective on the date of the prospectus. Such law may be amended thereafter.

5 — Shareholders' Tax Status

Any distribution to the shareholders of the Canadian Fund or of the American Fund in the form of dividends is taxable in their hands at their personal income tax rates subject, however, to the dividend tax credit of 20% afforded to them by Section 38 of the Income Tax Act (Canada). Shareholders who are taxable Canadian corporations are not subject to corporation taxes on dividends received from either the Canadian Fund or the American Fund.

As both the Canadian Fund and the American Fund are taxable Canadian corporations shareholders, residing in Canada and who are not American citizens, are not subject to foreign succession duties or estate taxes relative to the shares which they hold in either of these companies.

Any gains realized by shareholders upon sale or redemption of the Company's shares should not be subject to tax unless ownership of the shares forms part of a financial business carried on by said shareholder.

Canadian non-taxable entities, of course, are not subject to tax upon dividends paid or credited to them.

6 — Share Capital Structure

The authorized capital of each of the Canadian Fund and the American Fund is \$20,001,000.00 divided into 20,000,000 Mutual Fund Shares and 1,000 Common Shares, all of which shares have a par value of \$1.00 each and may be issued as fractional shares. In the case of each company, all the Common Shares were issued and fully paid up at the inception of such company and are now outstanding. No Common Shares of either company are offered for sale to the public. Only Mutual Fund Shares of the Canadian Fund and Mutual Fund Shares of the American Fund are offered to the public; they are issued for cash only as fully paid and non-assessable shares.

The holders of Mutual Fund Shares of the Canadian Fund, as such, are not entitled to receive notices of general meetings, to be present thereat, or to vote as long as the Canadian Fund does not fail to pay a dividend on its Mutual Fund Shares for a period of twenty-four (24) consecutive months. The holders of Mutual Fund Shares of the American Fund, as such, are not entitled to receive notices of general meetings, to be present thereat, or to vote as long as the American Fund is not in default, for a period of twenty-four (24) consecutive months, in payment of at least a non-cumulative dividend of 1 10 of 1% of par value on its Mutual Fund Shares.

A Mutual Fund Share, whether of the Canadian Fund or of the American Fund, is redeemable at its asset value by the issuer thereof at any time at the request of the holder thereof upon delivery to the Head Office of the issuer the Share Certificate therefor properly endorsed for redemption and with such endorsement guaranteed by a Chartered Bank, Trust Company or Caisse Populaire; if the Mutual Fund Share to be redeemed is registered in the name of a limited company or partnership there must also be annexed to and delivered with the Share Certificate evidence in writing establishing that the person or persons who signed the endorsement had authority to do so. Where it is impossible to deliver a Share Certificate representing a Mutual Fund Share to be redeemed by reason of such Certificate being lost, destroyed or damaged, the shareholder shall furnish the issuer with a bond of a surety company in an amount satisfactory to the issuer.

In the case of each of the Canadian Fund and the American Fund, the holders of Mutual Fund Shares are entitled to participate share for share with holders of Common Shares in any and all payments made to shareholders, whether by way of dividends or by way of distribution of capital.

Mutual Fund Shares issued by the Canadian Fund and the American Fund, are sold subject to the condition that the Board of Directors of the Canadian Fund or the American Fund has the right to change or amend the Investment Service Agreement or the Distributorship Agreement referred to in Sections 11 and 12 of the prospectus.

In the case of each of the Canadian Fund and the American Fund, Common Shares have full voting rights and are not subject to redemption or purchase for cancellation but in all other respects Common Shares rank equally with Mutual Fund Shares.

As of August 31st, 1969, the Canadian Fund has issued an aggregate of 9,634,544.40 Mutual Fund Shares for a total consideration of \$68,211,164.99 and 4,488,267.44 had been redeemed for a total consideration of \$32,123,316.71 leaving 5,146,276.96 Mutual Fund Shares outstanding; between August 31st, 1969 and October 17th, 1969, 51,897.58 Mutual Fund Shares were issued and 62,923.21 were redeemed.

As of August 31st, 1969, the American Fund had issued an aggregate of 264,912.58 Mutual Fund Shares for a total consideration of \$3,372,233.70 and 6,106.54 had been redeemed for a total consideration of \$76,241.62 leaving 258,806.04 Mutual Fund Shares outstanding; between August 31st, 1969 and October 17th, 1969, 29,591.96 Mutual Fund Shares were issued and 2,389.84 redeemed.

7 — Principal Holder of Common Shares

Savings and Investment Group of 850 Place d'Youville, Quebec, P.Q., is the principal holder of the Common Shares of both the Canadian Fund and the American Fund. It is the owner of record and the beneficial owner of 98.8% of the Common Shares of the Canadian Fund and the

beneficial owner of the remaining 1.2% thereof. It is the owner of record and the beneficial owner of 99.1% of the Common Shares of the American Fund and the beneficial owner of the remaining 0.9% thereof.

Savings and Investment Group is also the owner of record and the beneficial owner of 99.9% and the beneficial owner of the remaining 0.1% of all the Common Shares of Savings and Investment Ltd., the Distributor of Mutual Fund Shares issued by the Canadian Fund and the American Fund.

Savings and Investment Group provides the Canadian Fund and the American Fund with advisory services, statistical data and recommendations (see Section 12 below).

8 — Directors and Officers of The Canadian Fund (Names, positions held in The Canadian Fund home addresses and principal occupation within the five preceding years)

*# Jean-Paul Tardif, M.S.C., President and Director,
1286, Lemoine St., Sillery, P.Q.
President of Savings and Investment Group.
Director of:

Provident Assurance Company
Les Fonds F.I.C., Inc.
Merrill Island Mining Corporation Ltd.
Aeterna Life Insurance Company (President)
Crédit Mauricien Inc.
Savings and Investment American Fund Ltd.
Savings and Investment Ltd.

*# Philippe Côté, A.D.B.A., 1st Vice-President and Director,
819, Bon-Air Ave., Ste. Foy, P.Q.
Architect.

*# Frank Spénard, 2nd Vice-President and Director,
2259, 5th Ave., Trois-Rivières, P.Q.
Financier.

*# André Verge, Q.C., Secretary and Director,
2080, Hélène Boulé Ave., Ste. Foy, P.Q.
Barrister.

Director of:
Aeterna Life Insurance Company
(Vice-President)
Savings and Investment American Fund Ltd.,
Savings and Investment Ltd.

Hon. Jacques Flynn, Q.C., Vice-President and Director
1086, Thornhill Park, Sillery, P.Q.
Barrister.

Director of:
Canada Cement Co. Ltd.
Le Prêt Hypothécaire
Industries Valcartier Inc.
Savings and Investment American Fund Ltd.

- * Louis-Philippe Gingras, Director,
913, Cardinal Rouleau St., Quebec, P.Q.
Wholesale Dealer (until 1965, Contractor).
- * Lévis Tardif, Director,
823, Cherbourg St., Ste. Foy, P.Q.
Public Relations Officer.
- *# Henri F. Béique, Eng., Director,
965 St. Louis Road, Sillery, P.Q.
President of Savings and Investment Trust Company.
Director of:
Aeterna Life Insurance Company.
- *# Jean-Paul Guimont, M.S.C., C.G.A., Director and Treasurer,
32, Des Alliés Blvd., Quebec, P.Q.
Executive Vice-President of Savings
and Investment Group
Director of:
Aeterna-Life Insurance Company
(Executive President)
Savings and Investment American Fund Ltd.
Savings and Investment Ltd.
- Maurice Samson, C.A., O.B.E., Director,
1025, Des Braves Ave., Quebec, P.Q.
Financier.
Senior Partner of Samson, Bélair, Côté, Lacroix and Associates, C.A.
Director of:
Compagnie d'Assurance du Québec
(Chairman of the Board)
Merrill Island Mining Corp. Ltd.
(Vice-President)
Quebec Uranium Mining Corp.
(Chairman of the Board)
Savings and Investment American Fund Ltd.
- # Paul Chapdelaine, C.A., Director
633, Laird Blvd., Ville Mont-Royal, P.Q.
President of The St-Lawrence Cement Co.
Director of:
United Provinces Insurance Co.
Cartier Refined Sugars Limited
Savings and Investment American Fund Ltd.
- # Jacques Taschereau, Director,
315 Laurier Ave., Quebec, P.Q.
Notary.
Director of:
Savings and Investment American Fund Ltd.

Directors and Officers of The American Fund (Names, positions held in The American Fund, home addresses and principal occupations within the five preceding years)

*# Jean-Paul Tardif, M.S.C., President and Director,
1286 Lemoine St., Sillery, P.Q.
President of Savings and Investment Group.

Director of:

Provident Assurance Company
Les Fonds F.I.C., Inc.
Merrill Island Mining Corporation Ltd
Aeterna-Life Insurance Company
(President)
Crédit Mauricien Inc.
Savings and Investment Corporation Mutual Fund of Canada Ltd.
Savings and Investment Ltd.

Hon. Jacques Flynn, Q.C., Vice-President and Director
1086 Thornhill Park, Sillery, P.Q.
Barrister.

Director of:

Canada Cement Co. Ltd.
Le Prêt Hypothécaire
Industries Valcartier Inc.
Savings and Investment Corporation Mutual Fund of Canada Ltd.

*# Jean-Paul Guimont, M.S.C., C.G.A. Director and Treasurer,
32 Des Alliés Blvd., Quebec, P.Q.
Executive Vice-President of Savings and Investment Group

Director of:

Aeterna Life Insurance Company
(Executive President)
Savings and Investment Corporation Mutual Fund of Canada Ltd.
Savings and Investment Ltd.

*# André Verge, Q.C., Secretary and Director,
2080, Hélène Boulé St., Ste-Foy, P.Q.
Barrister.

Director of:

Aeterna Life Insurance Company (Vice-President)
Savings and Investment Corporation Mutual Fund of Canada Ltd.
Savings and Investment Ltd.

Maurice Samson, C.A., O.B.E., Director,
1025 Des Braves Ave., Quebec, P.Q.
Financier
Senior Partner of Samson, Bélair, Côté, Lacroix and Associates, C.A.

Director of:

Compagnie d'Assurance du Quebec
(Chairman of the Board)
Merrill Island Mining Corp. Ltd.
(Vice-President)
Quebec Uranium Mining Corp.
(Chairman of the Board)
Savings and Investment Corporation Mutual Fund of Canada Ltd.

Paul Chapdelaine, C.A., Director,
633, Laird Blvd, Ville Mont-Royal, P.Q.
President of The St. Lawrence Cement Co.

Director of:

United Provinces Insurance Co.
Cartier Refined Sugars Limited
Savings and Investment Corporation Mutual Fund of Canada Ltd.

Jacques Taschereau, Director,
315, Laurier Ave., Quebec, P.Q.
Notary.

Director of:

Savings and Investment Corporation Mutual Fund of Canada Ltd.

* Director of Savings and Investment Group.

Director of Savings and Investment Trust Company.

By-Laws of the Canadian Fund and of the American Fund provide that the Directors have the power to fix their remuneration.

During the fiscal year which ended August 31st, 1969, the Directors of the Canadian Fund, as such, received remuneration aggregating \$4,467.00. During the current fiscal year the Canadian Fund plans to pay to the Directors as such, remuneration estimated not to exceed \$4,500.00.

During the last fiscal year which ended August 31st, 1969, the Directors of the American Fund, as such, received a remuneration aggregating \$2,075.00.

During the current fiscal year the American Fund plans to pay to the Directors, as such, remuneration estimated not to exceed \$2,700.00. No remuneration is payable by the Canadian Fund to any of its officers or employees, as such, nor is any remuneration payable by the American Fund to any of its officers or employees as such (see Section 12).

9 — Auditors

The Canadian Fund's Auditors are McDonald, Currie and Co., Chartered Accountants, 65, Ste. Anne St., Quebec, P.Q.

The American Fund's Auditors are McDonald, Currie and Co., Chartered Accountants, 65 Ste. Anne St., Quebec, P.Q.

10 — Custodian

Securities owned by the Canadian Fund and by the American Fund are deposited for safe-keeping with Savings and Investment Trust Company, 850 Place d'Youville, Quebec, P.Q., which has arranged with two Canadian Chartered Banks to act as sub-custodians in the United States for the American securities owned by the Canadian Fund and by the American Fund, respectively.

During its last fiscal year, the Canadian Fund paid to Savings and Investment Trust Company \$10,774, as fees, and the American Fund paid to Savings and Investment Trust Company \$451. as fees.

11 — Method of Distribution

Mutual Fund Shares to be issued by the Canadian Fund and Mutual Fund Shares to be issued by the American Fund are offered to the public continuously by Savings and Investment Ltd. Under the terms of Distributorship Agreements between the Canadian Fund and Savings and Investment Ltd. dated January 2nd, 1968, amended May 6th, 1968, and between the American Fund and Savings and Investment Ltd. dated April 24th, 1968, Savings and Investment Ltd. makes available to both the Canadian Fund and the American Fund its sales staff and facilities for the handling of applications and delivering share certificates. Where considered advisable, Savings and Investment Ltd. may arrange for registered brokers or investment dealers to participate with it in the distribution of the Mutual Fund Shares.

In Section 14 below, a description is given of how sales are made on a commission basis. In this case, all applications for shares are forwarded to the issuer's head office for acceptance or rejection and the issuer reserves the right to reject any application. In section 15 below, a description is given of how a subscriber may purchase Mutual Fund Shares on a monthly instalment basis — where certain fees, which include commissions, are paid to Savings and Investment Ltd. which, itself, accepts or rejects the application.

Selling expenses as provided for in the Distributorship Agreements are borne by Savings and Investment Ltd. and are compensated by the commissions it receives.

The initial term of the Distributorship Agreements was, in each case, two years and each party had the right to terminate the Agreement at the end of such term on six months' prior notice to the other party with the proviso that, if neither party gave notice of termination, the Agreement was automatically renewed for a further period of two years with the same right of termination and renewal and so on from time to time.

On the sale of Mutual Fund Shares issued by the Canadian Fund between September 1st, 1968 and August 31st, 1969, an aggregate of \$96,175.14 was paid as commissions to Savings and Investment Ltd.

On the sale of Mutual Fund Shares issued by the American Fund, from September 1st, 1968 to August 31st, 1969, Savings and Investment Ltd. was paid as commission the sum of \$171,567.40.

12 — Investment Service Agreements

Under Investment Service Agreements between the Canadian Fund and Savings and Investment Group dated January 2nd, 1968, amended May 6th, 1968, and between the American Fund and Savings and Investment Group dated April 24th, 1968, Savings and Investment Group is obliged to furnish advisory services, statistical data and recommendations (which may be accepted or rejected — the Directors of the Canadian Fund and the Directors of the American Fund, as the case may be, having the power to take the final decision in any matter) with respect to the purchase and sale or the acquisition and disposition of securities. However, to facilitate daily operations, the Board of Directors of each of the Canadian Fund and the American Fund has authorized any one of its officers to approve recommendations made by Savings and Investment Group with respect to purchases and sales of securities and all such purchases and sales are reviewed quarterly by the Board of Directors concerned. A Committee of Savings and Investment Group provides recommendations.

The members of such Committee are: Jean-Paul Tardif, (see Section 8); Jean-Paul Guimont (see Section 8); Jacques Tremblay, Vice-President, Investments, 1150 Ploermel, Sillery, P.Q.; Claude Boulanger, Assistant Vice-President, Investments, 2590 Plaza, Sillery, P.Q.; Gilles Clermont-Drolet, 3053, St-Castin, Ste-Foy P.Q. For investments in American securities, this Committee is assisted by Lewis B. Cullman, President, Lewis B. Cullman Inc., 120 Broadway St., New-York.

For the investment services provided by Savings and Investment Group, each of the Canadian Fund and the American Fund pays to Savings and Investment Group a monthly fee amounting to one-sixteenth of one percent ($1/16$ of 1%) of the value of its net assets, determined as of the close of business on the last full business day of each calendar month; such fee is to be calculated on the first business day following the last business day of each calendar month and paid within the next five full business days. The expenses of each of the Canadian Fund and the American Fund are limited in that the fees paid to Savings and Investment Group, plus its other expenses, shall not exceed annually one percent of its average net asset value, determined on the last full business day of each calendar month.

In consideration of the monthly fees payable as above mentioned to Savings and Investment Group by the Canadian Fund, Savings and Investment Group is obliged to pay or reimburse the Canadian Fund for all its expenses (not including losses due to theft or defalcation of assets) except:

1. The remuneration payable by the Canadian Fund under its Investment Service Agreement with Savings and Investment Group;
2. All commissions, expenses, fees, costs and allowances provided for in any agreement, written or oral, or otherwise incurred by the Canadian Fund, directly or indirectly, in connection with offering for sale and distributing its Mutual Fund Shares;
3. All taxes of any kind payable by the Canadian Fund;
4. All custodian and trustee fees, costs and expenses; costs and expenses in connection with the auditing and certification of the records and accounts of the Canadian Fund by independent Public Accountants;

5. All brokerage commissions and charges in connection with the purchase and sale of assets;

6. All fees and expenses paid to Directors of the Canadian Fund; premiums on fidelity and surety bonds covering Officers, Directors and employees of the Canadian Fund; all expenses of barristers, solicitors and attorneys who are not Officers of Savings and Investment Group (other Officers of the Canadian Fund are paid by Savings and Investment Group).

7. Postage on all communications, notices and statements to brokers, dealers and shareholders of the Canadian Fund; costs and expenses in connection with obtaining and printing dividend cheques, reports to shareholders, notices, proxy statements and tax notices to shareholders and the cost of envelopes in which the same are to be mailed;

8. Any losses due to judgments or adjustments not covered by surety or fidelity bonds or by agreement or obligation.

Likewise, in consideration of the monthly fees payable as above mentioned to Savings and Investment Group by the American Fund, Savings and Investment Group is obliged to pay or reimburse the American Fund for all its expenses, subject to similar exclusions and exceptions.

The initial term of the Investment Service Agreements was, in each case, two years and each party had the right to terminate the Agreement at the end of such term on six months' prior notice to the other party with the proviso that, if neither party gave notice of termination, the Agreement was automatically renewed for a further period of two years with the same right of termination and renewal and so on from time to time.

The aforesaid Investment Service Agreements, the Distributorship Agreements referred to in Section 11 above, and Custodianship Agreements between the Canadian Fund and Savings and Investment Trust Company and between the American Fund and Savings and Investment Trust Company may be examined at the Head Office of Savings and Investment Group, 850 Place d'Youville, Quebec, P.Q. during regular business hours.

For the period of September 1st, 1968 to August 31st, 1969, Savings and Investment Group received from the Canadian Fund \$308,599. as fees under the Investment Service Agreement between the Canadian Fund and Savings and Investment Group. For the period of September 1st, 1968 to August 31st, 1969, Savings and Investment Group received from the American Fund \$14,105. as fees under the Investment Service Agreement between the American Fund and Savings and Investment Group.

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**FINANCIAL STATEMENTS
OF THE CANADIAN FUND
FOR THE YEAR ENDED
AUGUST 31, 1969**

SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD.

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)

BALANCE SHEET AS AT AUGUST 31, 1969

ASSETS

	1969	1968
	\$	\$
<i>Investments — at market value</i>		
Bonds and secured notes	526,500	1,721,500
United States companies bonds	106,078	818,450
Preferred stocks	307,500	2,144,200
Common stocks — Canadian companies	25,550,405	24,141,150
— United States companies	7,775,200	9,706,550
	<u>34,265,683</u>	<u>38,531,850</u>

The average cost of the investments as at August 31, 1969 was \$35,677,660
(1968 — \$37,824,005)

Current Assets:

Cash in bank and with a trust company	315,086	683,680
Bank deposits on demand	3,200,000	1,700,000
Due by brokers	226,896	410,329
Accrued interest and dividends receivable	169,278	152,373
	<u>3,911,260</u>	<u>2,946,382</u>

<u>38,176,943</u>	<u>41,478,232</u>
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Signed and approved on behalf of the Board

J. P. TARDIF, Director
J. P. GUIMONT, Director

AUDITORS' REPORT

To the Directors,

Savings and Investment Corporation Mutual Fund of Canada Ltd.
(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)

We have examined the balance sheet of Savings and Investment Corporation Mutual Fund of Canada Ltd. (Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée) as at August 31, 1969 and the statements of income and expenditure, retained earnings, premium on shares, unrealized appreciation (depreciation) of investments and changes in net assets for the five years then ended. Our examination included a general review of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at August 31, 1969 and the results of its operations and the changes in net assets for the five years then ended, in accordance with generally accepted accounting principles applied on a consistent basis.

McDONALD, CURRIE & CO.

Chartered Accountants

QUEBEC, November 15, 1969.

SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD.

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)

BALANCE SHEET AS AT AUGUST 31, 1969

LIABILITIES

	1969	1968
	\$	\$
<i>Current Liabilities:</i>		
Accounts payable and accrued liabilities	29,520	34,111
Due to brokers	245,249	76,369
Income taxes	11,393	19,034
	<u>286,162</u>	<u>129,514</u>

SHAREHOLDERS' EQUITY

Capital Stock:

Common shares —

Authorized, issued and fully paid:

1,000 shares of a par value of \$1 each 1,000 1,000

Mutual fund shares of a par value of \$1 each (Redeemable on demand by the holders, at asset value) —

	Shares-1969	Shares-1968
Authorized	20,000,000	20,000,000
Redeemed	2,857,924	1,774,199
	<u>17,142,076</u>	<u>18,225,801</u>

Outstanding:

Issued and fully paid 5,146,277 5,584,164 5,146,277 5,584,164
(The shares issued during the year were paid in cash)

Premium received on shares issued, less premium paid on shares redeemed	27,006,127	30,065,004
Retained earnings	7,149,354	4,990,705
Unrealized appreciation (depreciation) of investments	(1,411,977)	707,845
	<u>37,890,781</u>	<u>41,348,718</u>
	<u>38,176,943</u>	<u>41,478,232</u>

Net asset value per share \$7.36 \$7.40

Note: The company has obtained supplementary letters patent dated July 30, 1969 which give the Board of Directors, the power to fix the time of calculation of the asset value used as a basis in the determination of the selling price of the mutual fund shares issued by the company.

SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD.

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)

STATEMENT OF INCOME AND EXPENDITURE

For the five years ended August 31, 1969

	1969	1968	1967	1966	1965
	\$	\$	\$	\$	\$
<i>Income:</i>					
Dividends	1,046,108	1,117,990	1,200,913	1,071,871	782,979
Interest	229,786	270,040	307,770	328,779	217,363
	<u>1,275,894</u>	<u>1,388,030</u>	<u>1,508,683</u>	<u>1,400,650</u>	<u>1,000,342</u>
<i>Expenditure:</i>					
Management fees	308,599	229,431	201,925	181,836	143,444
Custodian fees	10,774	11,721	10,576	9,752	7,046
Directors' fees	4,467	4,750	5,100	5,250	4,550
Legal fees	1,298	1,711	3,501	580	1,097
Audit fees	4,350	4,280	4,120	2,200	2,000
Stationery and printing	14,015	16,043	14,775	10,913	10,595
Corporation taxes	1,550	1,550	1,550	1,550	1,550
Insurance	—	5,542	—	—	3,045
Bank charges	715	1,981	1,108	1,502	1,792
Miscellaneous	399	11,960	8,236	5,226	2,980
	<u>346,167</u>	<u>288,969</u>	<u>250,891</u>	<u>218,809</u>	<u>178,099</u>
<i>Income from investments before provision for income taxes</i>	<i>929,727</i>	<i>1,099,061</i>	<i>1,257,792</i>	<i>1,181,841</i>	<i>822,243</i>
<i>Provision for income taxes</i>	<i>35,248</i>	<i>38,968</i>	<i>41,168</i>	<i>38,359</i>	<i>24,861</i>
<i>Net income from investments for the year (excluding profit realized on sale on investments)</i>	<i>894,479</i>	<i>1,060,093</i>	<i>1,216,624</i>	<i>1,143,482</i>	<i>797,382</i>

SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD.

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)

STATEMENT OF RETAINED EARNINGS

For the five years ended August 31, 1969

	1969	1968	1967	1966	1965
	\$	\$	\$	\$	\$
<i>Balance available for distribution — beginning of year</i>	4,990,705	3,472,078	2,485,414	1,890,409	1,409,663
Plus:					
Portion of premium received on sale of mutual fund shares, transferred to retained earnings to equalize the amount per share available for dividend	15,566	24,002	36,350	49,963	53,279
Less:					
Corresponding portion of premium paid on redemption of mutual fund shares	(27,071)	(29,942)	(24,422)	(15,546)	(7,522)
Profit realized on sale of investments . .	2,516,900	1,819,149	1,113,539	615,410	486,672
Net income from investments for the year	894,479	1,060,093	1,216,624	1,143,482	797,382
	8,390,579	6,345,380	4,827,505	3,683,718	2,739,474
Less:					
Dividends paid	1,241,225	1,354,675	1,355,427	1,198,304	849,065
<i>Balance available for distribution — end of year</i>	<u>7,149,354</u>	<u>4,990,705</u>	<u>3,472,078</u>	<u>2,485,414</u>	<u>1,890,409</u>

SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD.

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)

STATEMENT OF PREMIUM ON SHARES

For the five years ended August 31, 1969

	1969	1968	1967	1966	1965
	\$	\$	\$	\$	\$
<i>Balance — Beginning of year</i>	30,065,004	30,966,013	29,109,444	23,375,122	15,361,396
Plus:					
Proceeds from sale of mutual fund shares of the capital stock, less \$1. per share, credited to capital stock	4,574,095	5,613,103	6,754,069	9,052,362	10,370,455
	<u>34,639,099</u>	<u>36,579,116</u>	<u>35,863,513</u>	<u>32,427,484</u>	<u>25,731,851</u>
Less:					
Commissions paid on sale of shares . . .	96,175	167,773	299,449	592,587	745,052
Portion of premium received on sale of mutual fund shares, transferred to re- tained earnings to equalize the amount per share available for dividend	15,566	24,002	36,350	49,963	53,279
Premium paid on redemption of mutual fund shares	7,521,231	6,322,337	4,561,701	2,675,490	1,558,398
	<u>7,632,972</u>	<u>6,514,112</u>	<u>4,897,500</u>	<u>3,318,040</u>	<u>2,356,729</u>
<i>Balance — End of year</i>	<u>27,006,127</u>	<u>30,065,004</u>	<u>30,966,013</u>	<u>29,109,444</u>	<u>23,375,122</u>

Note: Number of mutual fund shares issued 1969 — 645,838 shares 1968 — 891,633 shares
Number of mutual fund shares redeemed 1969 — 1,083,725 shares 1968 — 1,023,896 shares

STATEMENT OF UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS

For the five years ended August 31, 1969

	1969	1968	1967	1966	1965
	\$	\$	\$	\$	\$
<i>Balance — Beginning of year</i>	707,845	2,341,893	(1,864,272)	2,271,445	2,521,647
Increase (decrease) for the year	(2,119,822)	(1,634,048)	4,206,165	(4,135,717)	(250,202)
<i>Balance — End of year</i>	<u>(1,411,977)</u>	<u>707,845</u>	<u>2,341,893</u>	<u>(1,864,272)</u>	<u>2,271,445</u>

SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD.

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)

STATEMENT OF CHANGES IN NET ASSETS

For the five years ended August 31, 1969

	1969	1968	1967	1966	1965
	\$	\$	\$	\$	\$
<i>Net assets — Beginning of year</i>	41,348,718	42,497,411	35,118,204	31,996,535	22,491,683
Plus:					
Proceeds from sale of mutual fund shares less commissions paid	5,123,758	6,336,963	7,534,732	9,821,823	11,132,671
Profit realized on sale of investments . . (see below)	2,516,900	1,819,149	1,113,539	615,410	486,672
Net income from investments for the year	894,479	1,060,093	1,216,624	1,143,482	797,382
Increase in unrealized appreciation of investments	—	—	4,206,165	—	—
	<u>49,883,855</u>	<u>51,713,616</u>	<u>49,189,264</u>	<u>43,577,250</u>	<u>34,908,408</u>
Less:					
Payments on redemption of mutual fund shares	8,632,027	7,376,175	5,336,426	3,125,025	1,812,606
Dividend paid from —					
Income from investments	894,479	1,060,093	1,216,624	1,143,482	797,382
Profit on sale of investments	346,746	294,582	124,232	20,146	6,933
Transfer from premium on shares . . .	—	—	14,571	34,676	44,750
Decrease in unrealized appreciation of investments	2,119,822	1,634,048	—	4,135,717	250,202
	<u>11,993,074</u>	<u>10,364,898</u>	<u>6,691,853</u>	<u>8,459,046</u>	<u>2,911,873</u>
<i>Net assets — End of year</i>	<u>37,890,781</u>	<u>41,348,718</u>	<u>42,497,411</u>	<u>35,118,204</u>	<u>31,996,535</u>
<i>Investments in marketable securities, including short-term notes:</i>					
Cost of securities held — beginning of year	39,524,005	39,561,732	36,366,322	28,989,080	19,457,878
Cost of investments purchased	40,729,464	31,034,812	42,847,698	51,744,960	30,207,750
	<u>80,253,469</u>	<u>70,596,544</u>	<u>79,214,020</u>	<u>80,734,040</u>	<u>49,665,628</u>
Cost of securities held — end of year . .	38,877,660	39,524,005	39,561,732	36,366,322	28,989,080
	<u>41,375,809</u>	<u>31,072,539</u>	<u>39,652,288</u>	<u>44,367,718</u>	<u>20,676,548</u>
Cost of securities sold	43,892,709	32,891,688	40,765,827	44,983,128	21,163,220
Proceeds from sales					
Profit realized on sale of investments . .	<u>2,516,900</u>	<u>1,819,149</u>	<u>1,113,539</u>	<u>615,410</u>	<u>486,672</u>

Note: Dividends have been paid each year firstly out of the net income from investments for the year to the extent available and, thereafter, from profits realised from the sale of investments and from transfer from premium on shares.

SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD.

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)

INVESTMENTS AS AT AUGUST 31, 1969

	Number of shares	Average cost	Market value	Percent of total investments at market value
		\$	\$	%
COMMON STOCKS				
<i>Banks:</i>				
Bank of Montreal	25,000	320,237	372,000	1.1
Banque Canadienne Nationale	43,000	530,110	473,000	1.4
Canadian Imperial Bank of Commerce	25,000	326,109	493,750	1.4
		1,176,456	1,338,750	3.9
<i>Chemical and textiles:</i>				
DuPont of Canada Limited	10,000	389,924	310,000	.9
<i>Construction:</i>				
Asbestos Corporation Limited	18,600	486,045	469,650	1.4
Canadian Equity & Development Company Limited	20,000	260,850	195,000	.6
Canadian Interurban Properties Limited	10,000	100,989	49,000	.1
Cummings Properties Limited	10,000	156,150	125,000	.4
O.S.F. Industries Limited	10,000	327,147	175,000	.5
Peel-Elder Limited	6,250	145,853	181,250	.5
C.A. Pitts Engineering Construction Limited	25,000	539,280	556,250	1.6
		2,016,314	1,751,150	5.1
<i>Consumers' Goods:</i>				
*Alterman Foods, Inc.	22,000	499,061	334,840	1.0
*Brockway Glass Company, Inc.	6,000	418,332	445,800	1.3
Charter Industries Limited	27,000	287,500	216,000	.6
Couvrette & Provost Ltée	35,000	292,712	253,750	.7
Distillers Corporation-Seagrams Limited	15,000	456,504	757,500	2.2
Hiram Walker-Gooderham & Worts Limited	25,000	830,299	1,043,750	3.1
*Læws Theatres Inc.	12,000	505,473	411,960	1.2
Molson Industries Limited — Class "A"	17,000	460,757	331,500	1.0
The Oshawa Wholesale Limited — Class "A"	10,000	422,789	280,000	.8
Silverwood Dairies Limited — Class "A"	15,000	366,317	330,000	1.0
George Weston Limited — Class "A"	30,000	567,831	686,400	2.0
		5,107,575	5,091,500	14.9
(Forward)		8,690,269	8,491,400	24.8

SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD.

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)

INVESTMENTS AS AT AUGUST 31, 1969 (Continued)

	Number of shares	Average cost	Market value	Percent of total investments at market value
COMMON STOCKS		\$	\$	%
(Brought forward)		8,690,269	8,491,400	24.8
<i>Electronic:</i>				
*Alloys Unlimited Inc.	7,000	335,548	234,640	.7
Central Dynamics Ltd.	25,000	182,000	103,250	.3
*Datatron Processing Inc.	10,000	67,461	72,700	.2
*General Electric Company Limited	8,000	818,474	721,520	2.1
*International Business Machine Corporation	2,500	724,277	928,800	2.7
*Interphoto Corporation — Class "A"	10,000	534,986	181,800	.5
KeepRite Products Limited	60,075	578,307	690,863	2.0
*Leasco Data Processing Equipment Corporation	5,000	243,025	139,350	.4
*Rollins Inc.	15,000	527,669	589,650	1.7
*Sperry Rand Corporation	15,000	707,983	722,850	2.1
*Zenith Radio Corporation	10,000	641,256	430,800	1.3
		5,360,986	4,816,223	14.0
<i>Metals:</i>				
Alcan Aluminium Limited	40,700	1,273,931	1,175,416	3.4
Bethlehem Copper Corporation Ltd.	15,000	176,596	234,450	.7
Brenda Mines Ltd.	20,000	196,291	290,000	.8
Denison Mines Limited	10,000	468,361	515,000	1.5
Falconbridge Nickel Mines Limited	10,000	993,360	1,340,000	3.9
Kerr Addison Mines Limited	20,000	358,047	265,000	.8
Noranda Mines Limited	50,000	1,276,226	1,662,500	4.9
Northgate Exploration Limited	50,000	866,588	787,500	2.3
Placer Development Limited	10,000	342,956	375,000	1.1
Rio Algom Mines Limited	5,200	99,577	100,776	.3
Teck Corporation Limited — Class "A"	50,000	476,451	387,500	1.1
		6,528,384	7,133,142	20.8
(Forward)		20,579,639	20,440,765	59.6

SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD.

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)

INVESTMENTS AS AT AUGUST 31, 1969 (Continued)

	Number of shares	Average cost	Market value	Percent of total investments at market value
		\$	\$	%
COMMON STOCKS				
(Brought forward)		20,579,639	20,440,765	59.6
<i>Oil and gas:</i>				
*Atlantic Richfield Co.	5,000	649,696	629,950	1.8
Canadian Industrial Gas & Oil Ltd.	50,000	440,561	537,500	1.6
Home Oil Company Limited — Class "A"	5,000	124,750	377,500	1.1
Home Oil Company Limited — Class "B"	3,000	177,975	208,500	.6
Jefferson Lake Petrochemicals of Canada Limited	20,000	885,956	352,600	1.0
*Kerr McGee Oil Industries	5,000	642,515	449,600	1.3
Scurry-Rainbow Oil Limited	8,000	218,407	220,000	.7
Western Decalta Petroleum Limited	6,800	62,453	73,100	.2
		3,202,313	2,848,750	8.3
<i>Public utilities:</i>				
International Utilities Corporation	10,000	447,500	302,500	.9
Northern and Central Gas Company Limited	50,000	730,271	900,000	2.6
Quebec Natural Gas Corporation	25,000	403,881	440,750	1.3
		1,581,652	1,643,250	4.8
<i>Pulp and paper:</i>				
Abitibi Paper Company Limited	50,000	547,071	469,000	1.4
Domtar Limited	50,000	808,359	656,500	1.9
Fraser Companies Limited	15,000	450,481	363,750	1.1
MacMillan, Bloedel Limited	25,000	755,247	828,250	2.4
The Price Company Limited	50,000	569,618	712,500	2.1
		3,130,776	3,030,000	8.9
<i>Steel and Manufacturing:</i>				
Bombardier Limited — Class "A"	15,000	301,250	270,000	.8
*Diversified Metals Corporation	10,000	290,800	171,000	.5
Massey-Ferguson Limited	50,000	976,562	925,000	2.7
*McDonnell, Douglas Corporation	10,000	559,149	290,800	.8
The Steel Company of Canada Limited	30,000	783,893	663,900	1.9
*Studebaker Worthington Inc.	6,000	380,944	239,040	.7
		3,292,598	2,559,740	7.4
(Forward)		31,786,978	30,522,505	89.0

SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD.

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)

INVESTMENTS AS AT AUGUST 31, 1969 (Continued)

	Number of shares	Average cost	Market value	Percent of total investments at market value
COMMON STOCKS		\$	\$	%
(Brought forward).....		31,786,978	30,522,505	89.0
<i>Transportation:</i>				
Canadian Pacific Railway Company.....	28,000	1,754,507	2,023,000	5.9
*National Airlines Inc.....	15,000	639,838	494,700	1.5
*Western Air Lines, Inc.....	10,000	475,280	285,400	.8
		2,869,625	2,803,100	8.2
<i>Total Common Stocks.....</i>		<u>34,656,603</u>	<u>33,325,605</u>	<u>97.2</u>

PREFERRED STOCKS

Canadian Interurban Properties Limited — Series "A", 7% cumulative, convertible.....	30,000	383,721	307,500	.9
<i>Total Preferred Stocks.....</i>		<u>383,721</u>	<u>307,500</u>	<u>.9</u>

BONDS AND SECURED NOTE

Bonds:

Government:

Government of Canada — 7% May 1, 1970.....	500,000	499,500	497,500	1.5
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Convertible:

*Standard International Corp. — convertible, subordi- nated, 5% August 1, 1987.....	99,000	108,664	106,078	.3
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(Forward).....		608,164	603,578	1.8
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SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD.

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)

INVESTMENTS AS AT AUGUST 31, 1969 (Continued)

	Par value	Average cost	Market value	Percent of total investments at market value
	\$	\$	\$	%
BONDS AND SECURED NOTE				
(Brought forward)		608,164	603,578	1.8
<i>Secured Note:</i>				
Alliance Credit Corporation — 6½% on demand	29,000	29,172	29,000	.1
<i>Total Bonds and Secured note</i>		637,336	632,578	1.9
<i>Total Investments</i>		35,677,660	34,265,683	100.0

*United States companies common shares and bonds — valued as follows:

Average cost — at the rate of exchange prevailing at the date of purchase.

Market value — at the rate of exchange prevailing as at August 31, 1969.

To the Directors,

Savings and Investment Corporation
Mutual Fund of Canada Ltd.
(Fonds Mutuel Corporation de Prêt
et Revenu du Canada Ltée)

We report that, in our opinion, the statement of investments as at August 31, 1969, which forms part of the financial statements of the company as at that date, fairly presents the information which it purports to show.

McDONALD, CURRIE & CO.

QUEBEC, November 15, 1969.

Chartered Accountants

13-A

FINANCIAL STATEMENTS

OF THE AMERICAN FUND

FOR THE YEAR ENDED

AUGUST 31, 1969

SAVINGS AND INVESTMENT AMERICAN FUND LTD.
(Fonds Américain Prêt et Revenu Ltée)

BALANCE SHEET AS AT AUGUST 31, 1969

ASSETS

	1969	1968
<i>Investments — at market value</i>	\$	\$
United States companies bonds	8,507	11,850
Common stocks — Canadian companies	1,070,065	32,000
— United States companies	1,136,969	74,750
	<u>2,215,541</u>	<u>118,600</u>

The average cost of the investments as at August 31, 1969 was \$2,548,689
(1968 — \$113,505)

Current Assets:

Cash	110,406	110,206
Bank deposits on demand	550,000	100,000
Due by brokers	112,774	23,136
Accrued interest and dividends receivable	10,297	346
	<u>783,477</u>	<u>233,688</u>
	<u>2,999,018</u>	<u>352,288</u>

Signed and approved on behalf on the Board,

J. P. TARDIF, Director
J. P. GUIMONT, Director

AUDITORS' REPORT

To the Directors

Savings and Investment American Fund Ltd.,
(Fonds Américain Prêt et Revenu Ltée)

We have examined the balance sheet of Savings and Investment American Fund Ltd. (Fonds Américain Prêt et Revenu Ltée) as at August 31, 1969 and the statements of income and expenditure, retained earnings, premium on shares, unrealized appreciation (depreciation) of investments and changes in net assets for the period from November 28, 1967 to August 31, 1969. Our examination included a general review of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at August 31, 1969 and the results of its operations and the changes in net assets for the period from November 28, 1967 to August 31, 1969, in accordance with generally accepted accounting principles applied on a consistent basis.

MCDONALD, CURRIE & CO.

Chartered Accountants

QUEBEC, November 15, 1969.

SAVINGS AND INVESTMENT AMERICAN FUND LTD.

(Fonds Américain Prêt et Revenu Ltée)

BALANCE SHEET AS AT AUGUST 31, 1969

LIABILITIES

	1969	1968
	\$	\$
<i>Current Liabilities:</i>		
Accounts payable and accrued liabilities	4,647	7,365
Due to brokers	26,647	34,652
Income taxes	5,471	558
	<u>36,765</u>	<u>42,575</u>

SHAREHOLDERS' EQUITY

Capital Stock:

Common shares —

Authorized, issued and fully paid:

1,000 shares of a par value of \$1 each 1,000 1,000

Mutual fund shares of a par value of \$1 each (Redeemable on demand by the holders, at asset value)

	Shares-1969	Shares-1968
Authorized	20,000,000	20,000,000
Redeemed	6,107	—
	<u>19,993,893</u>	<u>20,000,000</u>

Outstanding:

Issued and fully paid 258,806 26,606 258,806 26,606
(The shares issued during the year were paid in cash)

<i>Premium received on shares issued, less premium paid on shares redeemed</i>	2,847,116	260,024
<i>Retained earnings</i>	188,479	16,988
<i>Unrealized appreciation (depreciation) of investments</i>	(333,148)	5,095
	<u>2,962,253</u>	<u>309,713</u>
	<u>2,999,018</u>	<u>352,288</u>

Net asset value per share \$11.40 \$11.22

Note: The company has obtained supplementary letters patent dated July 30, 1969 which give the Board of Directors, the power to fix the time of calculation of the asset value used as a basis in the determination of the selling price of the mutual fund shares issued by the company.

SAVINGS AND INVESTMENT AMERICAN FUND LTD.

(Fonds Américain Prêt et Revenu Ltée)

STATEMENT OF INCOME AND EXPENDITURE

For the period from November 28, 1967 to August 31, 1969

	Year ended August 31, 1969	Period from November 28, 1967 to August 31, 1968
	\$	\$
<i>Income:</i>		
Dividends	16,905	—
Interest	22,167	2,053
	<u>39,072</u>	<u>2,053</u>
<i>Expenditure:</i>		
Management fees	14,105	194
Custodian fees	451	—
Directors' fees	2,075	—
Audit fees	1,000	525
Corporation taxes	257	—
Bank charges	834	—
Miscellaneous	139	48
	<u>18,861</u>	<u>767</u>
<i>Income from investments before provision for income taxes</i>	20,211	1,286
<i>Provision for income taxes</i>	<u>6,835</u>	<u>558</u>
<i>Net income from investments for the period</i> <i>(excluding profit realized on sale of investments)</i>	<u>13,376</u>	<u>728</u>

SAVINGS AND INVESTMENT AMERICAN FUND LTD.

(Fonds Américain Prêt et Revenu Ltée)

STATEMENT OF RETAINED EARNINGS

For the period from November 28, 1967 to August 31, 1969

	Year ended August 31, 1969	Period from November 28, 1967 to August 31, 1968
	\$	\$
<i>Balance available for distribution — Beginning of the period</i>	16,988	—
Plus :		
Portion of premium received on sale of mutual fund shares, transferred to retained earnings to equalize the amount per share available for dividend .	10,358	—
Less :		
Corresponding portion of premium paid on redemption of mutual fund shares	(286)	—
Profit realized on sale of investments	148,043	16,260
Net income from investments for the period	13,376	728
<i>Balance available for distribution — End of the period</i>	188,479	16,988

SAVINGS AND INVESTMENT AMERICAN FUND LTD.

(Fonds Américain Prêt et Revenu Ltée)

STATEMENT OF PREMIUM ON SHARES

For the period from November 28, 1967 to August 31, 1969

	Year ended August 31, 1969	Period from November 28, 1967 to August 31, 1968
	\$	\$
<i>Balance — Beginning of the period</i>	260,024	—
Plus:		
Proceeds from the sale of common and mutual fund shares of the capital stock, less \$1 per share, credited to capital stock (Common shares: 1969, —; 1968, 1,000 Mutual fund shares: 1969, 238,307; 1968, 26,606)	2,838,866	267,455
	<u>3,098,890</u>	<u>267,455</u>
Less:		
Commissions paid on sale of shares	171,567	7,431
Portion of premium received on sale of mutual fund shares, transferred to retained earnings to equalize the amount per share available for dividend	10,358	—
Premium paid on redemption of mutual fund shares (1969, 6,107 shares; 1968, —)	69,849	—
	<u>251,774</u>	<u>7,431</u>
<i>Balance — End of the period</i>	<u><u>2,847,116</u></u>	<u><u>260,024</u></u>

STATEMENT OF UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS

For the period from November 28, 1967 to August 31, 1969

<i>Balance — Beginning of the period</i>	5,095	—
Increase (decrease) for the period	(338,243)	5,095
<i>Balance — End of the period</i>	<u><u>(333,148)</u></u>	<u><u>5,095</u></u>

SAVINGS AND INVESTMENT AMERICAN FUND LTD.

(Fonds Américain Prêt et Revenu Ltée)

STATEMENT OF CHANGES IN NET ASSETS

For the period from November 28, 1967 to August 31, 1969

	Year ended August 31, 1969	Period from November 28, 1967 to August 31, 1968
	\$	\$
<i>Net assets — Beginning of the period</i>	309,713	—
Plus:		
Proceeds from the sale of common and mutual fund shares, less commissions paid	2,905,606	287,630
Profit realized on sale of investments (see below)	148,043	16,260
Net income from investments	13,376	728
Increase in unrealized appreciation of investments	—	5,095
	<u>3,376,738</u>	<u>309,713</u>
Less:		
Payments on redemption of mutual fund shares	76,242	—
Decrease in unrealized appreciation of investments	338,243	—
	<u>414,485</u>	<u>—</u>
<i>Net assets — End of the period</i>	<u>2,962,253</u>	<u>309,713</u>

(Note: No dividend declared up to August 31st 1969)

Investments in marketable securities, including short-term notes:

Cost of investments held — beginning of period	213,505	—
Cost of investments purchased	5,554,501	390,738
	<u>5,768,006</u>	<u>390,738</u>
Cost of securities held — end of year	3,098,689	213,505
Cost of securities sold	2,669,317	177,233
Proceeds from sales	2,817,360	193,493
	<u>148,043</u>	<u>16,260</u>
Profit realized on sale of investments		

SAVINGS AND INVESTMENT AMERICAN FUND LTD.

(Fonds Américain Prêt et Revenu Ltée)

INVESTMENTS AS AT AUGUST 31, 1969

	Number of shares	Average cost	Market value	Percent of total investments at market value
COMMON STOCKS		\$	\$	%
<i>Chemical and textiles:</i>				
*Ethyl Corporation	1,000	38,466	29,080	1.3
Fibre Products of Canada Limited	2,000	34,200	17,500	.8
*Hercules Inc.	600	27,364	22,860	1.0
*Originala Inc.	3,000	71,088	48,060	2.2
Surpass Petrochemical Limited	5,000	35,750	26,250	1.2
		206,868	143,750	6.5
<i>Construction:</i>				
Atco Industries Ltd.	2,000	27,577	32,760	1.5
*Fiberboard Corporation — Warrants	2,000	43,175	32,840	1.5
Revelstoke Building Materials Limited	1,000	17,672	16,250	.7
		88,424	81,850	3.7
<i>Consumers' Goods:</i>				
Acklands Limited	2,000	38,095	26,500	1.2
*Acushnet Company	1,000	35,960	28,540	1.3
*Bulova Watch Company Inc.	1,500	49,204	52,905	2.4
Charter Industries Limited	4,000	34,188	32,000	1.4
*Alex Colman, Inc.	2,500	39,214	16,825	.8
Dylex Diversified Ltd. — Class "A"	2,000	47,454	23,760	1.1
*The B.F. Goodrich Company	1,000	50,269	38,370	1.7
Harvey's Foods Limited	3,825	34,897	25,819	1.2
Horne & Pitfield Foods Limited	5,000	20,500	17,000	.8
The Oshawa Wholesale Limited — Class "A"	1,000	31,388	28,000	1.3
Peoples Department Stores Ltd.	2,000	36,000	37,000	1.7
*Robinson Furniture Company	1,000	15,819	7,000	.3
*Samsonite Corporation	200	41,225	40,922	1.8
*Swedlow Inc.	800	21,524	23,264	1.0
*Tropicana Products Inc.	1,000	24,103	32,840	1.5
Unipat Corporation of America	4,000	16,000	3,400	.1
Visa Bella Inc.	7,000	37,500	26,950	1.2
George Weston Limited	2,000	40,067	45,760	2.1
		613,407	506,855	22.9
(Forward)		908,699	732,455	33.1

SAVINGS AND INVESTMENT AMERICAN FUND LTD.

(Fonds Américain Prêt et Revenu Ltée)

INVESTMENTS AS AT AUGUST 31, 1969 (Continued)

	Number of shares	Average cost	Market value	Percent of total investments at market value
COMMON STOCKS		\$	\$	%
(Brought forward)		908,699	732,455	33.1
<i>Electronic:</i>				
Computel Systems Ltd.	700	29,251	11,291	.5
*Control Data Corporation	300	48,208	48,945	2.2
Dataline Systems Limited	2,600	28,600	15,600	.7
*General Electric Company Limited	1,000	98,713	90,190	4.1
*General Instrument Corporation	510	25,718	20,869	.9
*Grainger W.W. Inc.	1,000	44,108	40,650	1.8
*International Business Machine Corporation	200	70,018	74,304	3.4
*Interphoto Corporation — Class "A"	1,000	52,175	18,180	.8
KeepRite Products Limited	3,000	31,676	34,500	1.6
*Leasco Data Processing Equipment Corporation	1,000	35,708	27,870	1.3
*Memorex Corporation	600	56,166	58,638	2.6
Multiple Access. General Computer Corporation Limited	4,000	35,560	33,000	1.5
*Rollins Inc.	2,000	79,586	78,620	3.5
*Trans-Lux Corporation	500	36,821	12,925	.6
		672,308	565,582	25.5
<i>Finance:</i>				
Canadian Pacific Investments Limited — Warrants	5,000	33,216	44,250	2.0
*Dollar General Corporation	500	8,848	10,500	.5
*Federal National Mortgage Association	300	48,806	70,752	3.2
Reed Shaw Osler Limited	2,000	40,670	42,000	1.9
		131,540	167,502	7.6
<i>Metals:</i>				
Churchill Copper Corporation Ltd.	5,500	47,569	39,050	1.8
Copperfields Mining Corp. Ltd.	20,000	42,008	34,200	1.5
Hunter Douglas Limited	3,000	46,500	37,140	1.7
Kerr Addison Mines Limited	2,000	39,100	26,500	1.2
National Nickel Ltd.	10,000	25,382	11,800	.5
Northgate Exploration Limited	3,000	49,548	47,250	2.1
Sullivan Mines Ltd.	10,000	69,308	75,500	3.4
		319,415	271,440	12.2
(Forward)		2,031,962	1,736,979	78.4

SAVINGS AND INVESTMENT AMERICAN FUND LTD.

(Fonds Américain Prêt et Revenu Ltée)

INVESTMENTS AS AT AUGUST 31, 1969 (Continued)

	Number of shares	Average cost	Market value	Percent of total investments at market value
COMMON STOCKS		\$	\$	%
(Brought forward)		2,031,962	1,736,979	78.4
<i>Miscellaneous:</i>				
The Jockey Club Limited	5,000	31,417	25,000	1.1
The Jockey Club Limited — Warrants	5,000	—	250	—
Shaw Pipe Industries Limited	2,000	27,287	28,000	1.3
		58,704	53,250	2.4
<i>Oil and gas:</i>				
*Amrep Corporation	1,000	45,295	51,150	2.3
*Atlantic Ritchfield Co.	500	59,462	62,995	2.8
*Forest Oil Corporation	500	15,039	12,385	.6
Scurry-Rainbow Oil Limited	2,000	51,725	55,000	2.5
Shell Investments Limited — Warrants	1,600	19,623	20,400	.9
Western Decalta Petroleum Limited	5,500	49,883	59,125	2.7
		241,027	261,055	11.8
<i>Public utilities:</i>				
Quebec Natural Gas Corporation	2,000	31,813	35,260	1.6
<i>Steel and manufacturing:</i>				
Bombardier Limited	2,000	32,000	36,000	1.6
*Chrysler Corporation	400	29,696	16,640	.8
*McDonnell Douglas Corporation	1,000	54,421	29,080	1.3
*Studebaker Worthington Inc.	500	31,856	19,920	.9
*Valmont Industries, Inc.	1,000	26,460	18,850	.8
		174,433	120,490	5.4
<i>Total Common Stocks</i>		2,537,939	2,207,034	99.6

SAVINGS AND INVESTMENT AMERICAN FUND LTD.
(Fonds Américain Prêt et Revenu Ltée)

INVESTMENTS AS AT AUGUST 31, 1969 (Continued)

	Par value	Average cost	Market value	Percent of total investments at market value
BONDS	\$	\$	\$	%
*Forest Oil Corporation — 5½% February 1, 1994	10,000	10,750	8,507	.4
<i>Total Bonds</i>		10,750	8,507	.4
<i>Total Investments</i>		2,548,689	2,215,541	100.0

*United States companies common shares and bonds — valued as follows:

Average cost — At the rate of exchange prevailing at the date of purchase.

Market value — At the rate of exchange prevailing as at August 31, 1969.

To the Directors,

Savings and Investment American Fund Ltd.
(Fonds Américain Prêt et Revenu Ltée)

We report that, in our opinion, the statement of investments as at August 31, 1969 which forms part of the financial statements of the company as at that date, fairly presents the information which it purports to show.

McDONALD, CURRIE & CO.

QUEBEC, November 15, 1969.

Chartered Accountants

14 — Price of Mutual Fund Shares on Sale or Redemption

Except as described in Section 15 below, Mutual Fund Shares of both the Canadian Fund and the American Fund are:

1. Sold at asset value plus a commission, the two together constituting the public offering price;
2. Redeemed at asset value.

GROSS ASSET VALUE OF THE CANADIAN FUND

The gross asset value of the Canadian Fund as of the close of business on any day is determined as follows:

(a) the market value of each security which shall be listed or traded in upon the Toronto or the New-York Stock Exchange shall be determined by the closing sale price thereon and if there was no sale of such security on such exchange on the day of such determination, then by the mean between the closing bid and asked prices of such security as reported on such exchange on the date as of which such market value is being ascertained or, in case there shall be no such bid and asked prices for such security on such date, then by the closing price or the mean between the closing bid and asked prices for such security on the last preceding date upon which such exchange shall have been opened and upon which such closing price or bid and asked price shall have been made;

(b) the market value of any security which is not listed or traded in upon the Toronto or the New-York Stock Exchange but which is listed or traded in upon another recognized securities exchange shall be determined in the same manner as in (a) above by reference to prices on such other exchange or in case such security be listed or traded in upon more than one other recognized securities exchange by reference to prices on such exchange as shall be determined by or pursuant to the direction of the board of directors to be the principal exchange upon which such security is listed or traded in, provided that, where any such other exchange is outside Canada, prices thereon shall be converted into prices in lawful money of Canada adjusted to take into account the then prevailing market differential applicable in Canada to transaction in such security;

(c) the market value of any security, no provision for the valuation of which is contained in (a) or (b) above, shall be determined by the best available quotation or method approved by or pursuant to the direction of the board of directors;

(d) dividends declared but not yet received, or rights, in respect of securities which are quoted ex-dividend or ex-rights, shall be included at the value thereof as determined by or pursuant to the direction of the board of directors;

(e) the value of any other assets of the company shall be determined in such manner as may be approved from time to time by or pursuant to the direction of the Board of Directors;

(f) if the sale of shares issued by the company shall at any time be discontinued, the Board of Directors may in its discretion, pursuant to resolution, deduct from the value of the assets listed in (a), (b), (c), (d) and (e) above an amount equal to the brokerage commissions, transfer taxes and charges, if any, which would be payable on the sale of such securities if they were then being sold.

GROSS ASSET VALUE OF THE AMERICAN FUND

The gross asset value of the American Fund as of the close of business on any day shall be determined as follows.

(a) the market value of each security which shall be listed or traded on such day upon the Toronto Stock Exchange or upon the New York Stock Exchange, depending on whether the security involved is Canadian or American, shall be determined by the sale price as of the close of business upon such exchange; or, if there was no sale of such security upon such exchange on that day, by the mean between the closing bid and asked prices for such a security as reported on such exchange on such day; or, if there was no such bid and asked prices for such security on such day, by the closing price or by the mean between the closing bid and asked prices for such security on the last preceeding day upon which such exchange shall have been open for business and upon which a closing price or bid and asked price shall have been fixed;

(b) the market value of any security which is not listed or traded upon the Toronto Stock Exchange or the New York Stock Exchange, as the case may be, but which is listed and traded upon any other recognized securities exchange, shall be determined in the same manner as in (a) above by reference to prices on such other exchange; and, in case such security be listed or traded upon more than one other recognized securities exchange, by reference to prices on the exchange which shall be chosen by the Board of Directors or pursuant to its direction as being the principal exchange upon which such security is listed or traded;

(c) the market value of any security no provision for the valuation of which is contained in (a) or (b) above shall be determined by the best available quotation or method approved by the Board of Directors or pursuant to its direction;

(d) to establish the market value of a security which is quoted upon an exchange situated outside Canada, the prices thereon shall be converted into prices in lawful money of Canada adjusted to take into account the then prevailing rate of exchange applicable in Canada to such transactions;

(e) the value of dividends declared but not yet received or rights, in respect of securities which are quoted ex-dividend or ex-rights, shall be included in the gross asset value of the Company at a price which shall be determined by the Board of Directors or pursuant to its direction;

(f) the value of any other asset of the company shall be determined according to its market value and in such manner as shall be approved from time to time by the Board of Directors or pursuant to its direction;

(g) if the sale of shares issued by the company is at any time discontinued, the Board of Directors, shall have the power, in its discretion, to deduct from the gross asset value of the company, as described above, an amount equal to the brokerage commissions, transfer charges and other charges which would be payable on the sale of securities held by the company if such securities were then being sold.

ASSET VALUE OF A MUTUAL FUND SHARE ISSUED BY THE CANADIAN FUND OR BY THE AMERICAN FUND

The asset value of a Mutual Fund Share issued by the Canadian Fund or by the American Fund is determined as hereinafter described and for the purpose of sale at the times and for the periods determined by a resolution of the Board of Directors of the Canadian Fund or the American Fund

(Mutual Fund Shares are sold on the basis of the current effective price at the time an order is received by the company; the price payable by the company for a Mutual Fund Share accepted for surrender is the asset value determined as of the close of business on the full business day next following the reception by the company of the order or a written request acceptable to the company) by dividing:

(a) The gross asset value (in lawful money of Canada) of the company at the close of business on such day, less the amount determined by the Board of Directors or pursuant to its direction of all debts, obligations or liabilities of the company (which debts, obligations or liabilities include, without limiting the generality of the foregoing, any and all debts, obligations, liabilities and any claims of every kind and nature, whether they be fixed, accrued, unmatured or contingent, and any reserves or charges for any or all thereof, whether for taxes, expenses, contingencies or otherwise) except for the company's liability upon its capital stock and surplus;

by:

(b) The total number of Common Shares and Mutual Fund Shares of the capital stock of the company outstanding at the time of the making of such determination of the asset value.

If the Board of Directors elects to establish a time other than the close of business to determine the asset value, the determination of the gross asset value may be made by estimate, calculation or appraisal of the assets of the fund.

SCALE OF COMMISSIONS APPLICABLE TO THE CANADIAN FUND AND THE AMERICAN FUND

Amount of each subscription	Rate of commissions (expressed as a percentage of the public offering price)
Up to \$ 4,950.00	9.0%
\$ 5,000.00 to 14,950.00	8 $\frac{3}{4}$ %
15,000.00 to 24,950.00	8.5%
25,000.00 to 49,950.00	6.0%
50,000.00 to 74,950.00	5.0%
75,000.00 to 99,950.00	4.0%
100,000.00 to 149,950.00	3.5%
150,000.00 to 199,950.00	2.5%
200,000.00 to 499,950.00	2.0%

For subscription the aggregate amount of which equals or exceeds \$500,000.00, both the Canadian Fund and the American Fund reserve the right to discuss a commission suitable to all parties concerned.

The above graduated scale of sales commissions will apply on initial purchases in the amounts stated and also on any subsequent purchases when the aggregate investment of the same shareholder (and to the extent that such shares are still registered in his name) exceeds \$5,000.00.

For example, if a shareholder had previously purchased and still held shares for which he had paid \$4,950.00 and made a subsequent purchase of \$6,000.00, the sales commission applicable to this latter would be 8 $\frac{3}{4}$ % on the amount received from the subscriber; or, if such shareholder after his initial purchase (shares still held by him) had made an application for an additional \$20,000.00, bringing his aggregate investment to \$24,950.00, the commission on the additional purchase would be 8.5% on the amount received from the subscriber.

The foregoing scale of commissions is applicable to any investments by a single purchaser, even though such purchase may be divided among several accounts, if all of such accounts are those of husband, wife and children under 21 years of age. An individual or corporate trustee, guardian or other fiduciary custodian may have the benefit of the foregoing graduated scale of sales commissions for his fiduciary or guardianship accounts (including accounts in which he has co-fiduciaries). This scale of commissions is also applicable when the purchase is made by the administrator or trustee of a pension fund for the employees of a common employer.

Each of the Canadian Fund and the American Fund adheres to the following principles: if a subscriber signs and delivers to the company a Letter of Intent declaring his intention to invest in the purchase of Mutual Fund Shares within a period of twenty-four (24) months thereafter at least an aggregate of \$25,000.00, such subscriber will pay the commission applicable to the total intended investment even though the intended investment is made by several smaller investments during the twenty-four month period. If the subscriber does not achieve his objective within said twenty-four month period, or if the subscriber is no longer the registered holder of the shares purchased thereunder, Savings and Investment Ltd. is authorized to request, as mandatory for the subscriber, the redemption of: (i) such entire or fractional Mutual Fund Shares as were initially purchased with the difference in commission resulting from applying the lower rate of commission actually charged instead of the rate of commission which would otherwise have been applied if the Letter of Intent had not been signed; and (ii) such entire or fractional Mutual Fund Shares as were purchased with re-invested dividends on the Mutual Fund Shares purchased with such difference in commission, or, if such dividends were paid to the subscriber, then a number of entire or fractional Mutual Fund Shares equal to the amount of such dividends so paid; and also (iii) such number of entire or fractional Mutual Fund Shares as are sufficient to pay a fee of \$10.00 to Savings and Investment Ltd.

15 — Variable Investment Plan

As a convenience to investors, each of the Canadian Fund and the American Fund has arranged with Savings and Investment Ltd. to issue Variable Investment Plan Certificates. A person who applies for such a certificate and whose application is accepted by Savings and Investment Ltd. may invest by monthly instalments in Mutual Fund Shares issued by the Canadian Fund or by the American Fund, as the case may be. Three variations of the plan are offered, based on different numbers of monthly instalments: 119, 179 and 239 monthly instalments respectively. Under the Variable Investment Plan, the acquisition fees, based on the unit of the plan, commence at 9.01% on the amount paid by the subscriber and diminish in relation to the size of the plan as indicated in the Schedules which follow. In addition to the acquisition fees there are administration and custodian fees totalling a maximum of 3% of the amount paid by the subscriber; they also diminish in relation to the size of the plan as indicated in the Schedules which follow. The minimum initial instalment is \$20.00 and the subsequent minimum instalments are \$10.00.

In the case of Mutual Fund Shares acquired under a Variable Investment Plan Certificate, the Shares are purchased and redeemed at asset value calculated as described in Section 14 above. However, the commissions described in Section 14 do not apply; instead, the subscriber pays fees which include commissions. The following tables show how a subscriber's monthly payments are applied:

PLAN REQUIRING 119 MONTHLY INSTALMENTS *

50% of each of the first twelve monthly instalments is applied to pay acquisition, administration and custodian fees; the balance of such fees is distributed equally over the remaining instalments under the plan.

Total of the amounts paid per unit	Instalments		Deduction for acquisition fees See NOTE 2 below				Adminis- tration and custodian fees	Total amount available for investment	Total acquisition, administra- tion and custodian fees as a % of the plan denomination
	initial instal- ment	each sub- sequent instalment	on the initial instal- ment	on each of the 2nd to 12th instalments	on the 13th and each subsequent instalment	Percent- age #	On each instal- ment		
\$ 1,200	\$ 20.00	\$ 10.00	\$ 9.40	\$ 4.70	\$.44	9.01	\$.30	\$ 1,056.12	11.99
1,800	30.00	15.00	14.10	7.05	.66	9.01	.45	1,584.18	11.99
2,400	40.00	20.00	18.80	9.40	.88	9.01	.60	2,112.24	11.99
3,000	50.00	25.00	23.50	11.75	1.10	9.01	.70	2,646.25	11.79
3,600	60.00	30.00	28.20	14.10	1.32	9.01	.75	3,186.21	11.49
4,800	80.00	40.00	37.60	18.80	1.76	9.01	.80	4,272.08	10.99
6,000	100.00	50.00	47.00	23.50	1.95	8.57	1.00	5,366.85	10.55
7,200	120.00	60.00	56.40	28.20	2.34	8.57	1.20	6,440.22	10.55
9,600	160.00	80.00	75.20	37.60	3.07	8.51	1.50	8,604.21	10.37
12,000	200.00	100.00	94.00	47.00	3.60	8.30	1.50	10,825.30	9.79
14,400	240.00	120.00	112.80	56.40	4.28	8.27	1.50	13,030.14	9.51
19,200	320.00	160.00	150.40	75.20	5.29	8.04	2.00	17,418.37	9.28
24,000	400.00	200.00	188.00	94.00	6.60	8.03	2.00	21,833.80	9.02
36,000	600.00	300.00	282.00	141.00	7.00	7.17	2.25	33,150.25	7.91
48,000	800.00	400.00	376.00	188.00	7.00	6.65	3.00	44,450.00	7.39
72,000	1,200.00	600.00	564.00	282.00	7.00	6.13	3.00	67,228.00	6.63

If a purchaser elects to obtain insurance coverage, the premium therefor will be in addition to the other deductions above unless paid by the purchaser (see NOTE 1 below). # In the seventh column of the above schedule the percentage 9.01 is replaced by 9.00, the acquisition fees on the 102nd to 119th instalments being reduced by 1c in each case.

PLAN REQUIRING 179 MONTHLY INSTALMENTS *

50% of each of the first twelve monthly instalments is applied to pay acquisition, administration and custodian fees; the balance of such fees is distributed equally over the remaining instalments under the plan.

Total of the amounts paid per unit	Instalments		Deduction for acquisition fees See NOTE 2 below				Adminis- tration and custodian fees	Total amount available for investment	Total acquisition, administra- tion and custodian fees as a % of the plan denomination
	initial instal- ment	each sub- sequent instalment	on the initial instal- ment	on each of the 2nd to 12th instalments	on the 13th and each subsequent instalment	Percent- age	On each instal- ment		
\$ 1,800	\$ 20.00	\$ 10.00	\$ 9.40	\$ 4.70	\$.60	8.96	\$.30	\$ 1,585.00	11.94
2,700	30.00	15.00	14.10	7.05	.88	8.84	.45	2,380.84	11.82
3,600	40.00	20.00	18.80	9.40	1.15	8.73	.60	3,178.35	11.71
4,500	50.00	25.00	23.50	11.75	1.42	8.66	.70	3,984.81	11.44
5,400	60.00	30.00	28.20	14.10	1.70	8.65	.75	4,798.55	11.14
7,200	80.00	40.00	37.60	18.80	2.25	8.61	.80	6,436.65	10.60
9,000	100.00	50.00	47.00	23.50	2.80	8.59	1.00	8,047.90	10.58
10,800	120.00	60.00	56.40	28.20	3.30	8.49	1.20	9,667.50	10.48
14,400	160.00	80.00	75.20	37.60	4.40	8.49	1.50	12,907.90	10.35
18,000	200.00	100.00	94.00	47.00	5.25	8.27	1.50	16,243.75	9.76
21,600	240.00	120.00	112.80	56.40	5.65	7.76	1.50	19,654.75	9.00
28,800	320.00	160.00	150.40	75.20	7.50	7.74	2.00	26,211.90	8.98
36,000	400.00	200.00	188.00	94.00	9.35	7.73	2.00	32,858.55	8.72
54,000	600.00	300.00	282.00	141.00	12.00	7.11	2.25	49,760.25	7.86
72,000	800.00	400.00	376.00	188.00	12.00	6.18	3.00	67,015.00	6.93
108,000	1,200.00	600.00	564.00	282.00	12.00	5.25	3.00	101,793.00	5.75

If a purchaser elects to obtain insurance coverage, the premium therefor will be in addition to the other deductions above unless paid by the purchaser (see NOTE 1 below).

PLAN REQUIRING 239 MONTHLY INSTALMENTS *

50% of each of the first twelve monthly instalments is applied to pay acquisition, administration and custodian fees; the balance of such fees is distributed equally over the remaining instalments under the plan.

Total of the amounts paid per unit	Instalments		Deduction for acquisition fees See NOTE 2 below				Adminis- tration and custodian fees	Total amount available for investment	Total acquisition, administra- tion and custodian fees as a % of the plan denomination
	initial instal- ment	each sub- sequent instalment	on the initial instal- ment	on each of the 2nd to 12th instalments	on the 13th and each subsequent instalment	Percent- age	On each instal- ment		
\$ 2,400	\$ 20.00	\$ 10.00	\$ 9.40	\$ 4.70	\$.68	8.98	\$.30	\$ 2,112.84	11.97
3,600	30.00	15.00	14.10	7.05	1.02	8.98	.45	3,169.31	11.97
4,800	40.00	20.00	18.80	9.40	1.36	8.98	.60	4,225.68	11.97
6,000	50.00	25.00	23.50	11.75	1.70	8.98	.70	5,294.05	11.77
7,200	60.00	30.00	28.20	14.10	2.04	8.98	.75	6,374.37	11.47
9,600	80.00	40.00	37.60	18.80	2.72	8.98	.80	8,546.96	10.97
12,000	100.00	50.00	47.00	23.50	3.35	8.88	1.00	10,695.05	10.87
14,400	120.00	60.00	56.40	28.20	3.98	8.82	1.20	12,843.14	10.81
19,200	160.00	80.00	75.20	37.60	5.14	8.62	1.50	17,185.92	10.49
24,000	200.00	100.00	94.00	47.00	6.35	8.55	1.50	21,589.05	10.04
28,800	240.00	120.00	112.80	56.40	7.06	8.11	1.50	26,105.68	9.35
38,400	320.00	160.00	150.40	75.20	9.38	8.09	2.00	34,815.14	9.33
48,000	400.00	200.00	188.00	94.00	11.70	8.08	2.00	43,644.10	9.08
72,000	600.00	300.00	282.00	141.00	12.00	6.33	2.25	66,905.25	7.08
96,000	800.00	400.00	376.00	188.00	12.00	5.38	3.00	90,115.00	6.13
144,000	1,200.00	600.00	564.00	282.00	12.00	4.44	3.00	136,893.00	5.94

If a purchaser elects to obtain insurance coverage, the premium therefor will be in addition to the other deductions above unless paid by the purchaser (see NOTE 1 below).

(*) If an intermediate unit is sold, the deductions for acquisition, administration and custodian fees will be calculated on the basis of a percentage which will be established between the percentage applicable to the preceding and following units.

NOTE 1: If the subscriber elects to purchase insurance, the premiums for such insurance are deducted by Savings and Investment Ltd. from the amount available for investment or are paid by the subscriber to Savings and Investment Ltd. at the same time and in the same manner as the monthly instalments under the certificate. The amount of insurance coverage is the total amount of all monthly deposits which become due and payable by the subscriber after the date of his death. Such insurance is subject to acceptance by the insuring company. The person insured under the terms of the certificate must be less than 61 years of age at the time of application for a plan requiring 119 monthly instalments, less than 56 years of age for a plan requiring 179 monthly instalments, and less than 51 years of age for a plan requiring 239 monthly instalments.

In addition to the acquisition, administration and custodian fees mentioned in the foregoing tables, Savings and Investment Ltd. may charge the following special fees:

1) A handling charge not in excess of \$2.50 for any dealing with a certificate, whether for redemption, partial realization, realization, termination, reduction of monthly instalments, rein-statement, transfer, pledge or any other cause whatsoever, except for receiving the certificate at the date of its maturity;

2) A quarterly charge of 1/40 of 1% of total monthly instalments paid under the contract, applicable only:

- a) After maturity of the certificate, or
- b) When the subscriber in default for a period of 3 months or more.

3) A charge for services rendered to the subscriber in connection with reinvestment of dividends, preparing and mailing to the subscriber tax returns, reports, notices and statements. The amount of this charge will be \$0.005 per share held for the account of the subscriber payable upon payment of each dividend but shall not exceed in the aggregate \$3.00 per annum.

4) All transfer tax payable on account of shares held for the account of the subscriber.

Under the provisions of the Variable Investment Plan Certificate, the subscriber may, at any time while the contract is in force, terminate the contract by written notice and delivery of the certificate to Savings and Investment Ltd. If such notice is received by Savings and Investment Ltd. within the 30 days next following the effective date of the contract, there are no fees whatever payable to Savings and Investment Ltd. and the money paid by the Subscriber is refunded to him in full. If such notice is received by Savings and Investment Ltd. after the 30 days next following the effective date of the contract, the applicable special fees mentioned will apply.

NOTE 2: If a subscriber dies or becomes disabled during the first four years next following the effective date of his contract, the contract may be terminated and there will be reimbursed to the subscriber or his legal representatives all monies deducted by Savings and Investment Ltd. in excess of the applicable percentage of the total amount paid by the subscriber to the date of his death or disability, if the proceeds of the realization of the Mutual Fund Shares held for the account of the subscriber are less than the total amount paid by him under the contract and if the subscriber is not, at the date of his death or disability, more than six (6) consecutive months in default under the contract.

The Canadian Fund and the American Fund have each also arranged with Savings and Investment Ltd. to issue Retirement Variable Investment Plan Certificates which can be registered under Section 79B of the Income Tax Act.

The provisions of such a certificate are similar to those of the Variable Investment Plan Certificate above described, except to the extent necessary to give effect to the basic concept that the realization value of Mutual Fund Shares purchased for a subscriber by Savings and Investment Ltd. will (subject to deductions of special fees) be used exclusively for the purchase of an annuity payable to the subscriber for his life or an annuity to the subscriber for the lives, jointly, of the subscriber and his spouse and to the survivor of them for his or her life, in accordance with the plan chosen by the subscriber, with or without a guaranteed term, provided the said term may not exceed 15 years. Such a certificate may not be transferred, nor may any rights under the contract be given to a beneficiary. It carries no Cash Surrender Value or Loan Value either before or after maturity; it is issued solely as evidence of a contract for the purchase of an annuity. The annuity which is purchased will provide for the payment of equal periodic amounts, annual or otherwise, the first payment to be made on or before the subscriber's 71st birthday. It will not be possible at any time to assign or transfer the annuity. A Retirement Variable Investment Plan Certificate will provide for the deduction of the same acquisition, administration and custodian fees as are set forth in the above description of the Variable Investment Plan Certificate.

16 — Functions

As explained in Section 11 above, Savings and Investment Ltd. is the exclusive Distributor of Mutual Fund Shares issued by the Canadian Fund and by the American Fund and, as explained in Section 12 above, Savings and Investment Group provides both the Canadian Fund and the American Fund with advisory services, statistical data and recommendations as to the purchase and sale of securities.

Section 12 contains a description of how investments are made by the Canadian Fund and by the American Fund.

Brokerage business is allocated by the Canadian Fund and by the American Fund to investment dealers without reference to any formula, method or criteria.

	The Canadian Fund	The American Fund
1. Total cost during the year ended August 31st, 1969 of securities acquired:		
a) Securities of or guaranteed by the government of any country, or any political subdivision thereof	\$ 499,500.	\$ ———
b) Short term notes	\$19,705,750.	\$2,000,000.
c) Other securities	\$20,524,214.	\$3,554,501.
2. Total cost of securities held at the beginning of the year	\$39,524,005.	\$ 213,505.
3. Total cost of securities held at the end of the year	\$38,877,660.	\$3,098,689.

17 — Dividends

The amount of dividends paid by the Canadian Fund during its last five completed fiscal years on the Common and Mutual Fund Shares of the Company is as follows:

FISCAL YEAR	AMOUNT OF DIVIDENDS PER SHARE		
	Mutual Fund Shares	Common Shares	Total amount of money
1969	\$0.24	\$0.24	\$1,241,225
1968	0.24	0.24	1,354,675
1967	0.24	0.24	1,355,427
1966	0.24	0.24	1,198,304
1965	0.22	0.22	849,065

A subscriber for Mutual Fund Shares of the Canadian Fund is not required to re-invest his dividends but may, if he chooses, direct that they be invested in the purchase of additional Mutual Fund Shares of the Canadian Fund at asset value and no commission is payable on the purchase.

It is not the present plan of the American Fund to declare and pay more than one dividend annually. No application for Mutual Fund Shares of the American Fund will be accepted unless accompanied by a document, supplied by the American Fund and signed by the subscriber, whereby the subscriber agrees to re-invest his dividends in the Mutual Fund Shares issued by the American Fund. In this manner, the subscriber will acquire, at their asset value and without sales charges, additional entire or fractional Mutual Fund Shares of the American Fund.

18 — Systematic Withdrawal Plans

Subject to certain limitations imposed in the interests of their shareholders, the Canadian Fund and the American Fund make available to their shareholders, without additional charge, systematic withdrawal plans.

In the case of each of the Canadian Fund and the American Fund, such withdrawals are made through the redemption of Mutual Fund Shares which have been purchased by the shareholder or acquired by the re-investment of his dividends. A shareholder who wishes to have a systematic withdrawal plan, may apply to the company on a prescribed form and if the shareholder's request is approved by the company, the withdrawal plan will be complied with until the company receives from its shareholder a written notice to cancel the plan or until the company approves a modifications thereof. The fact that a systematic withdrawal plan is in effect does not interfere with the right of a shareholder to redeem his shares in any other way at any time on written request to the company on a prescribed form.

Under the systematic withdrawal plans, if the systematic withdrawals are in excess of dividend income and net capital appreciation, it will result in encroachment or exhaustion of original capital.

19 — Transfer Agent and Registrar

Savings and Investment Trust Company, at its Head Office, 850 Place d'Youville, Quebec, P.Q. and at its branch offices located at 696 Yonge St., Toronto, Ontario and at Suite 210 Halifax Shopping Centre, Halifax, N.S., is the registrar and transfer agent for Mutual Fund Shares issued by the Canadian Fund and the American Fund.

20 — Purchaser' Statutory Rights of Withdrawal and Rescission

With respect to any of the securities offered by this Prospectus in the Province of Ontario, The Securities Act, 1966 (Ontario) confers on a purchaser in certain circumstances:

1. The right to withdraw from the contract to purchase such securities if written or telegraphic notice evidencing the intention of the purchaser not to be bound by such contract is received by the vendor not later than midnight on the second business day after the Prospectus or amended Prospectus is received or deemed to have been received by the purchaser or his agent:

2. The right to rescind the contract to purchase such securities by commencing an action within 90 days from the date of such contract or the date on which the Prospectus or amended Prospectus is received or deemed to be received by the purchaser or his agent, whichever is later, if such Prospectus, as of the date of receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made.

Reference is made to Section 63 and Section 64 of The Securities Act, 1966 (Ontario) for the complete text of the provisions under which the foregoing rights are conferred.

21 — Privilege to Transfer from The Canadian Fund to The American Fund or from The American Fund to The Canadian Fund

A holder of Mutual Fund Shares of the Canadian Fund may be granted permission to transfer all or part of his investment into Mutual Fund Shares of the American Fund, or vice versa, at the respective asset values of the Mutual Fund Shares of the two companies, provided the Mutual Fund Shares purchased are qualified for sale in the Province where the shareholder resides. No commission is payable on any such transfer. Such a transfer is a privilege and not a right and is revocable at any time without notice. To effect such a transfer, the shareholder must deliver to the company in which he holds shares all the documents which it requires and authorize it to redeem all or part of his Mutual Fund Shares and to apply the proceeds of redemption, after deduction of any applicable taxes and a service fee of \$10.00, to the purchase of Mutual Fund Shares issued by the company of which he wishes to become a shareholder.

The asset values of the Mutual Fund Shares which are redeemed and the Mutual Fund Shares which are purchased will be determined as provided in Section 14 above. Before purchasing any Mutual Fund Shares, a Prospectus concerning the shares purchased will be mailed to the shareholder. When both the redemption and purchase transactions have been effected, a purchase confirmation will be mailed to the shareholder.

N.B. The foregoing transfer privilege is not available to subscribers to Variable Investment Plan Certificates, as such.

Dated this 16th day of November, 1969.

The foregoing constitutes full, true and plain disclosure of all material facts,

(1) in respect of the offering of securities referred to above as required by The Securities Act (Quebec), by Section 13 of The Securities Fraud Prevention Act (New Brunswick), by Section 11 of the Securities Act (Nova Scotia) and Regulations thereunder, by Section 11 of The Securities Act (Newfoundland) and Regulations thereunder, by Section 8 of The Securities Fraud Prevention Act (Prince Edward Island); and there is no further material information applicable other than in the financial statements or reports where required or exigible; and

(2) relating to the securities offered by this Prospectus as required by Part VII of The Securities Act, 1966 (Ontario) and the Regulations thereunder.

For Savings and Investment Corporation Mutual Fund of Canada Ltd.

Jean-Paul Tardif
Chief executive officer and director

André Verge
Director

Jean-Paul Guimont
Chief financial officer

Jean-Paul Guimont
Director

Directors:

L.-P. Gingras

Philippe Côté

Jacques Flynn

Paul Chapdelaine

Frank Spénard

Jacques Taschereau

Maurice Samson

Henri-F. Bélique

Lévis Tardif

By his signature affixed below, André Verge, Q.C., has signed this Prospectus, pursuant to Powers of attorney duly executed, on behalf of all the Directors of the Canadian Fund except J.-P. Guimont and H.-F. Bélique.

Signed.....
André Verge, Q.C.

For Savings and Investment American Fund Ltd.

Jean-Paul Tardif
Chief executive officer and director

André Verge
Director

Jean-Paul Guimont
Chief financial officer

Jean-Paul Guimont
Director

Directors:

Jacques Flynn

Maurice Samson

Paul Chapdelaine

Jacques Taschereau

By his signature affixed below, André Verge, Q.C., has signed this Prospectus, pursuant to Powers of attorney duly executed, on behalf of all the Directors of the American Fund except J.P. Guimont.

Signed.....
André Verge, Q.C.

- 1) To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus, as required by The Securities Act (Quebec), by Section 13 of The Securities Fraud Prevention Act (New Brunswick), by Section 11 of The Securities Act (Nova Scotia) and Regulations thereunder, by Section 11 of The Securities Act (Newfoundland) and Regulations thereunder, by Section 8 of The Securities Fraud Prevention Act (Prince Edward Island); and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge, we have relied upon the accuracy and adequacy of the foregoing.
- 2) To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of The Securities act, 1966 (Ontario) and the Regulations thereunder.

The Distributor: SAVINGS AND INVESTMENT LTD.

Jean-Paul Tardif
President

André Verge
Secretary

Each of the following persons holds more than 5% of the issued capital of Savings and Investment Group; J. P. Tardif, B. E. Leclerc and the Estate of L. F. Martel

SAVINGS AND INVESTMENT LTD.

(Prêt et Revenu Ltée)

HEAD OFFICE:

850, d'Youville Square, Quebec, P.Q.

Regions

Quebec

Addresses:

Montreal — Lafontaine	— 1290 St-Denis St., Suite 30, Montreal
Montreal — Place d'Armes	— 225 St-Jacques St. West, Montreal
Abitibi	— 100 Perreault St. East, Rouyn
Quebec	{ — 850 d'Youville Square, Quebec (4)
	{ — 1815 de la Vérendrye St., Québec (3), P.Q.
Sherbrooke	— 31 King St. East, Suite 415, Sherbrooke
Gaspesia	— 30 de l'Evêché St., East, Rimouski, P.Q.
Saguenay	— Murdover Building, 23 Racine St. Chicoutimi

Ontario

Toronto	— 696 Yonge St., Toronto 5
Sudbury	— 31 Cedar St., Suite 10, Sudbury
London	— 381 Clarence St., London
Port Arthur	— 53 North, Cumberland St., Port Arthur
Ottawa	— 77 Metcalfe St., Suite 801-A, Ottawa 4
Kitchener	— 60 Ontario St. North, Kitchener

Atlantic Provinces

Nova Scotia	— Halifax Shopping Centre, Suite 210, 7001 Mumford Rd., Halifax, N.S.
New Brunswick	— 20 Charlotte St., Saint-John, N.B.
Newfoundland	— Churchill Park Chambers, Rowan St., St-John's NFLD

"No securities Commission or similar authority in Canada has, in any way, passed upon the merits of the securities offered hereunder, and any representation to the contrary is an offence".



file

NOVEMBER 16, 1969



PROSPECTUS

SAVINGS AND INVESTMENT
CORPORATION MUTUAL FUND
OF CANADA LTD.

SAVINGS AND INVESTMENT
AMERICAN FUND LTD.

CUSTODIAN:

SAVINGS AND INVESTMENT TRUST COMPANY
850 PLACE D'YOUVILLE, QUEBEC P.Q.

UNDER THE SYSTEMATIC WITHDRAWAL PLANS, IF THE SYSTEMATIC WITHDRAWALS ARE IN EXCESS OF DIVIDEND INCOME AND NET CAPITAL APPRECIATION, IT WILL RESULT IN ENCROACHMENT ON OR EXHAUSTION OF ORIGINAL CAPITAL.

HEAD OFFICE:

850 PLACE D'YOUVILLE, QUEBEC, P.Q. TEL.: 529-6821